



NEWS RELEASE

WB II ACQUISITION CORP. ANNOUNCES PROPOSED QUALIFYING TRANSACTION WITH MEGA GRAPHITE INC.

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WB II Acquisition Corp. announces proposed qualifying transaction with MEGA Graphite Inc.

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TORONTO, Aug. 3, 2012 /CNW/ - WB II Acquisition Corp. ("WB II" TSX Venture Exchange: WXB.P) is pleased to announce that it has entered into a letter of intent dated August 3, 2012 with MEGA Graphite Inc. ("MEGA") to complete a going public transaction for MEGA (the "Proposed Transaction") by way of a reverse takeover of WB II, a capital pool company listed on the TSX Venture Exchange (the "Exchange"). The Proposed Transaction will be conducted pursuant to a definitive agreement to be entered into between WB II and MEGA. The structure of the Proposed Transaction has not yet been determined.

MEGA is a private Canadian junior mining company with natural graphite mining interests and project plans in Australia, Canada and eastern India. In conjunction with the Proposed Transaction and as a condition thereof, MEGA will acquire Tarcoola Gold Inc. ("Tarcoola"), a subsidiary of Strategic Energy Resources Ltd. (Australian Stock Exchange Code: SER) through a merger of Tarcoola with MEGA's Australian subsidiary in order to acquire and develop a natural graphite ore body and former producing mine known as Uley Graphite in South Australia that MEGA and Tarcoola have been working on bringing back into production.

In conjunction with, or prior to the closing of, the Proposed Transaction, MEGA intends to complete a brokered private placement (the "Private Placement") of common shares for gross proceeds of up to \$3.5 million. It is contemplated that the common shares issued pursuant to the Private Placement will ultimately be exchanged into freely tradeable common shares (the "Resulting Issuer Shares") of the surviving entity upon completion of the Proposed Transaction (the "Resulting Issuer").

In addition, immediately prior to the completion of the Proposed Transaction, it is anticipated that WB II will consolidate its common shares on a ratio to be determined prior to the completion of the Proposed Transaction. It is intended that Resulting Issuer Shares will be issued to holders of MEGA common shares under the Proposed Transaction on the basis of one (1) Resulting Issuer Share (on a post-consolidation basis) for every one (1) common share of MEGA. In addition, and subject to regulatory approval, it is intended that any outstanding options or warrants of WB II and MEGA will be exchanged for comparable securities of the Resulting Issuer having the same economic terms (as adjusted).

If the Proposed Transaction is completed, it is anticipated that the board of directors of the Resulting Issuer will consist of between

three and nine directors, including the current directors of MEGA, and one (1) nominee to be appointed by WB II. In addition, if the Proposed Transaction is completed, it is anticipated that: (a) WB II will change its name, which name will be determined prior to the completion of the Proposed Transaction; and (b) new auditors will be appointed. If completed, the Proposed Transaction will constitute WB II's Qualifying Transaction (as defined in Policy 2.4 of the Exchange's Corporate Finance Manual). A comprehensive press release with further particulars relating to the Proposed Transaction will follow in accordance with the policies of the Exchange.

Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to, completion of satisfactory due diligence, completion of the Private Placement, execution of a definitive agreement in respect of the Proposed Transaction, regulatory approvals, Exchange acceptance, shareholders of MEGA approving, among other things, the Proposed Transaction, certain principal shareholders of MEGA and Ronald D. Schmeichel entering into and complying with support agreements and, if applicable pursuant to Exchange requirements, the filing of a sponsorship report and majority of the minority shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in securities of a capital pool company should be considered highly speculative.

The Exchange has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release. Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

ANY SECURITIES REFERRED TO HEREIN WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "1933 ACT") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO A U.S. PERSON IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT.

Notice on forward-looking statements:

This release includes forward-looking statements regarding WB II, MEGA, and their respective businesses, which may include, but is not limited to, statements with respect to the completion of the Proposed Transaction and the Private Placement, the terms on which the Proposed Transaction and Private Placement are intended to be completed, the ability to obtain regulatory and shareholder approvals and other factors. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such statements are based on the current expectations of the management of each entity. The forward-looking events and circumstances discussed in this release, including completion of the Proposed Transaction and the Private Placement, may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including risks regarding the graphite mining industry, failure to obtain regulatory or shareholder approvals, economic factors and the equity markets generally. Although WB II and MEGA have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in

forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and WB II and MEGA undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

WB II is a capital pool company governed by the policies of the Exchange. WB II's principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

SOURCE: WB II Acquisition Corp.

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