

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 16, 2020

Trecora Resources

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-33926
(Commission File Number)

75-1256622
(IRS Employer
Identification No.)

1650 Hwy 6 South, Suite 190
Sugar Land, Texas 77478
(Address of principal executive offices, including Zip Code)

(281) 980-5522
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	TREC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement

As previously disclosed, Trecora Resources (the “Company”) has entered into a Share Sale and Purchase Agreement, dated September 22, 2019 (as amended, the “Purchase Agreement”), among the Company, Al Masane Al Kobra Mining Company, a Saudi Arabian closed joint stock company (“AMAK”), and certain other existing shareholders of AMAK (collectively, the “Purchasers”) pursuant to which the Company has agreed to sell its 33.3% equity interest in AMAK to the Purchasers (the “Share Sale”). On January 16, 2020, the Company and the Purchasers entered into a letter agreement (the “Amendment”) providing for certain amendments to the Purchase Agreement.

Pursuant to the Amendment, the Long Stop Date (as defined in the Purchase Agreement) for completion of the Share Sale has been extended to March 31, 2020 to allow additional time for the parties to obtain certain required governmental approvals. Under the Purchase Agreement, the Company has certain termination rights if closing of the Share Sale does not occur on or before the Long Stop Date. The Amendment also provides that, if closing of the Share Sale does not occur on or before the extended Long Stop Date, and the Company determines in its sole discretion to further extend such date, then an amount equal to 50% of the approximately \$3.5 million non-refundable deposit made by the Purchasers under the Purchase Agreement will be forfeited to the Company as liquidated damages and shall not be applied to the purchase price at closing of the Share Sale.

The foregoing description does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Amendment attached hereto as Exhibit 2.1 and incorporated herein by reference.

Item 8.01 Other Events.

On January 21, 2020, the Company issued a press release announcing the Amendment. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
2.1	Letter Agreement, dated January 16, 2020, among the Company and the Purchasers
99.1	Press Release of the Company, dated January 21, 2020

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRECORA RESOURCES

Date: January 22, 2020

By: /s/ Christopher A. Groves
Christopher A. Groves
Corporate Controller



January 16, 2020

Via E-Mail

Mohammad Aballala

Purchasers' Representative
4896 Abdulrahma Ibn Ali Al Ash Shaikh - As Sulimaniyah, Riyadh
Kingdom of Saudi Arabia, 12243 - 7504

Al Masane Al Kobra Mining Co.
Mohammad Aballala
Ibrahim A. Musallam
Majed A. Musallam
Ayman A. Alshibi
Savas Sahin
Arabian Mining Company

RE: Amendment to Share Sale and Purchase Agreement

Dear Sirs,

Reference is made to that certain Share Sale and Purchase Agreement by and between Trecora Resources ("Seller") and Al Masane Al Kobra Mining Co. and the other purchasers ("Purchasers"), dated September 22, 2019 (the "Agreement").

As of the date hereof, certain Conditions that must be satisfied on or before January 20, 2020 have not yet been satisfied. Seller and Purchaser agree to amend the Agreement on the terms set forth in this letter. Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

It is hereby acknowledged and agreed that the Long-Stop Date will be extended to March 31, 2020 (the "New Long-Stop Date"), and that any reference in the Agreement to the Long Stop Date shall be read as referring to the New Long-Stop Date. It is further acknowledged and agreed that (i) the Parties shall use their respective best endeavors to satisfy the Conditions and to achieve Closing on or before the New Long-Stop Date; and (ii) if the Closing does not occur on or before the New Long-Stop Date and Seller agrees in its sole discretion to further extend the Long-Stop Date, an amount equal to 50% of the Deposit will be forfeit to Seller as liquidated damages (and not as a penalty) and shall not apply to the Purchase Price at Closing.

Notwithstanding any amendments made to the Agreement by and in accordance with this letter, it is acknowledged and agreed that all other terms and conditions of the Agreement shall remain in full force and effect.

Yours faithfully,

TRECORA RESOURCES

/s/ Patrick David Quarles

For and on behalf of **Trecora Resources**

Name: Patrick David Quarles

Title: President and CEO

The contents of this letter are acknowledged and agreed to by the Purchasers' Representative acting for and on behalf of the Purchasers

/s/ Mohammad Aballala

Purchasers' Representative

Name: Mohammad Aballala

The contents of this letter are acknowledged and agreed to by each of the Purchasers

/s/ Mohammad Aballala

For and on behalf of **Al Masane Al Kobra Mining Co.**

Name: Mohammad Aballala

Title: Chairman

/s/ Mohammad Aballala

Mohammad Aballala

/s/ Ibrahim A. Musallam

Ibrahim A. Musallam

/s/ Majed A. Musallam

Majed A. Musallam

/s/ Ayman A. Alshibi

Ayman A. Alshibi

/s/ Savas Sahin

Savas Sahin

/s/ Talal Al Saadi

For and on behalf of **Arabian Mining Company**

Name: Talal Al Saadi

Title: General Manager



Trecora Resources Provides Update on Sale of AMAK Equity Stake

SUGAR LAND, Texas, January 21, 2020 – Trecora Resources (“Trecora” or the “Company”) (NYSE: TREC), a leading provider of specialty hydrocarbons and waxes, today announced that it has entered into an amendment to the previously announced share sale and purchase agreement (“Agreement”) with Saudi Arabian closed joint stock company, Al Masane Al Kobra Mining Company (“AMAK”), and certain of AMAK’s other existing shareholders (collectively, the “Purchasers”) pursuant to which the Purchasers will acquire Trecora’s entire 33.3% equity interest in AMAK. Pursuant to the amendment, the outside date for the closing of the transaction has been extended to March 31, 2020, allowing additional time to obtain approval from the newly established Ministry of Industry and Mineral Resources in Saudi Arabia. In addition, the Purchasers have agreed that, if the transaction does not close on or before March 31, 2020, and Trecora determines in its sole discretion to further extend the outside date, half of the 5% non-refundable deposit (or approximately \$3.5 million) that Trecora has already received will be forfeited by the Purchasers and not apply to the sale price at closing (effectively increasing the sale price of the AMAK shares by an additional approximately \$1.75 million).

Pat Quarles, Trecora’s President and Chief Executive Officer, stated, “We are confident in the completion of this transaction shortly following receipt of required governmental approvals. With the completion of the sale of this non-core asset, Trecora will be entirely focused on its operating businesses and growth opportunities supported by a stronger balance sheet and greater financial flexibility.”

Forward-Looking Statements

Some of the statements and information contained in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements regarding the Company’s financial position, business strategy and plans and objectives of the Company’s management for future operations and other statements that are not historical facts, are forward-looking statements. Forward-looking statements are often characterized by the use of words such as “outlook,” “may,” “will,” “should,” “could,” “expects,” “plans,” “anticipates,” “contemplates,” “proposes,” “believes,” “estimates,” “predicts,” “projects,” “potential,” “continue,” “intend,” or the negative of such terms and other comparable terminology, or by discussions of strategy, plans or intentions, including, but not limited to: expectations regarding the consummation of the sale of our stake in AMAK and the realization of expected benefits to the Company from such transaction.

Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such statements. Such risks, uncertainties and factors include, but are not limited to: general economic conditions domestically and internationally; insufficient cash flows from operating activities; difficulties in obtaining financing on favorable conditions, or at all; outstanding debt and other financial and legal obligations; lawsuits; competition; industry cycles; feedstock, product and mineral prices; feedstock availability; technological developments; regulatory changes; environmental matters; foreign government instability; foreign legal and political concepts; foreign currency fluctuations; not completing, or not completely realizing the anticipated benefits from, the sale of our stake in AMAK; receipt and timing of necessary governmental approvals for the sale of our stake in AMAK and other risks detailed in our latest Annual Report on Form 10-K, including but not limited to: “Part I, Item 1A. Risk Factors” and “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” therein, and in our other filings with the Securities and Exchange Commission (the “SEC”). There may be other factors of which we are currently unaware or deem immaterial that may cause our actual results to differ materially from the forward-looking statements. In addition, to the extent any inconsistency or conflict exists between the information included in this press release and the information included in our prior releases, reports and other filings with the SEC, the information contained in this press release updates and supersedes such information. Forward-looking statements are based on current plans, estimates, assumptions and projections, and, therefore, you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them in light of new information or future events.

About Trecora Resources (TREC)

TREC owns and operates a specialty petrochemicals facility specializing in high purity hydrocarbons and other petrochemical manufacturing and a specialty wax facility, both located in Texas, and provides custom processing services at both facilities. In addition, the Company is the original developer and a 33.3% owner of AMAK, a Saudi Arabian joint stock company.

Investor Relations Contact:

Jason Finkelstein

The Piacente Group, Inc.

212-481-2050

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