

Galantas Announces a Proposed Private Placement to Advance Plans for Production and Exploration Expansion

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TORONTO, April 19, 2021 - [Galantas Gold Corp.](#) ("Galantas" or the "Company") is pleased to announce a proposed Private Placement that will provide for the financing to bring the Galantas Gold Mine in Omagh, Northern Ireland, into full production. Highlights of the Private Placement are summarized below.

The Private Placement consists of a minimum of 17 to 22 million "Units" at C\$0.30 per Unit (the "Offering Price"), where each Unit comprises one common share and one warrant. The minimum gross proceeds expected to be raised are C\$5,100,000, with maximum gross proceeds of C\$6,600,000. Each warrant will be exercisable into one additional share at an exercise price of C\$0.40 for 24 months from the closing date of the placement. There will be a 4-month hold period on the trading of securities issued in connection with this offering.

The net funds raised will be mainly used for bringing the Galantas Gold Mine into full commercial production and for exploration to expand the high-grade gold resources.

Melquart Ltd ("Melquart"), the Company's largest shareholder, is expected to subscribe for 2,000,000 Units for gross proceeds of C\$600,000, and Roland Phelps is expected to subscribe for Units for the equivalent of GBP?250,000 (approximately C\$435,000).

Under the terms of the Private Placement, detailed within a non-binding Letter of Intent and completion of its conditions, Ocean Partners UK Ltd ("Ocean Partners") will subscribe for a minimum of 1,666,667 Units of the Private Placement, for a subscription of C\$500,000, and to purchase any additional Units up to a maximum of C\$4,500,000 required to reach the minimum gross proceeds from the Private Placement of C\$5,100,000, including Melquart's subscription.

In regard to the commitment provided by Ocean Partners, it is expected Ocean will receive fees of C\$112,500 as a commitment fee equivalent to 2.5% of C\$4,500,000, and 2.5% of the gross proceeds for the Units to which it actually subscribes, in lieu of any finder's fees that would have had to be otherwise paid; both of which will be paid by the issuance of Units at the Offering Price. The Company will bear 75% of certain legal costs incurred by Ocean Partners' legal counsel in the preparation of suitable documentation.

Other than Units sold to Ocean Partners, the Company may pay finder's fees up to 6.5% to other finders in cash or in Units.

On closing of the proposed Private Placing ("the Closing Date"), Roland Phelps will retire as Galantas' Chief Executive Officer and as a member of the Board of Directors. His role as CEO will be assumed by Mario Stifano, an experienced mining executive who has raised over \$700 million in capital for mining companies such as [Lake Shore Gold Corp.](#) (now part of Kirkland Lake Gold Inc.), [Cordoba Minerals Corp.](#) and Dore Copper Mine Corp. It is expected that Mr Stifano will be nominated as an Ocean Partners representative on the Board following regulatory approval but it is expected to act as an observer following the Closing Date.

On the Closing Date, the Board of Galantas will appoint an Ocean Partners nominee, Brent Omland, as a Director, to replace Mr. Phelps on the Board, following regulatory approval. Mr. Omland is a Canadian Chartered Accountant with 15 years' experience in the mining, metals and trading sectors. He has held roles with Ivernica Inc., Enirgi Metals Group and Teck. He is currently Chief Financial Officer of Ocean Partners.

Mario Stifano commented: "I am excited by the opportunity to lead Galantas forward. The current operation,

brought to full production, provides an exciting opportunity in a highly prospective gold district. In line with the new capital and plans to move to full production, following the Closing Date, I plan to introduce a bolstered and experienced operating team. The Company will also follow up on the significant exploration potential of numerous veins including the Joshua vein that intersected 21.6 meters of 9.9 grams per tonne gold on the major structure that hosts the world-class Dalradian Gold project, as well as New Found Gold's recent Queensway discovery.

"We thank Mr. Phelps for his years of invaluable service to develop this opportunity into what it is today. With the support of Ocean Partners as a critical long-term offtaker and partner, we believe we can unlock significant value for all stakeholders and shareholders."

Roland Phelps commented: "I am pleased to see Galantas receive the funding it needs to unlock its true potential. Ocean Partners has been a supportive partner to the Company and I look forward to the exciting progress that this new capital and leadership team can provide."

It is expected that Mr. Phelps will enter into a formal Consultation Agreement with the Company for one year for ongoing Board and management support.

Offtake Agreement

The existing Offtake Agreement with Ocean Partners is expected to be extended from a minimum total of 50,000 tonnes of concentrate deliveries to a minimum total of 150,000 tonnes and marketed at market rates.

Debt Matters

On the Closing Date, the maturity date of the Ocean Partners loan due on December 31, 2021 will be extended to December 31, 2023. Interest may be deferred and added to the balance outstanding until March 31, 2022, at which point interest will be paid monthly. The 1,700,000 Ocean Partners warrants currently issued will be extended by 24 months to December 31, 2023.

On the Closing Date, the maturity date of the G&F Phelps Ltd loan due on June 30, 2021 will be extended to December 31, 2023. Interest may be deferred and added to the balance outstanding until March 31, 2022, at which point interest will be paid monthly. In consideration for extending the loan and deferring interest, G&F Phelps Ltd will receive 1,700,000 warrants exercisable into one common share at an exercise price of C\$0.33, with said warrants expiring on December 31, 2023. G&F Phelps Ltd is a company controlled by Mr. Phelps.

Pursuant to an Intercreditor Agreement between Flintridge Resources Ltd, Ocean Partners and G&F Phelps Ltd, principal repayments will be repaid on a pari passu basis proportionately to the size of the loans.

The transactions contemplated by the Private Placement are subject to approval by the Galantas Board of Directors, Ocean Partners Board of Directors, G&F Phelps Ltd Board of Directors, and the TSX Venture Exchange, and may be subject to additional regulatory approvals.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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