Guanajuato Silver Company Ltd. Closes C$8.19M First Tranche of Private Placement

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VANCOUVER, December 1, 2021 - Guanajuato Silver Company Ltd. (the "Company" or "GSilver") (TSXV:GSVR) (OTCQX:GSVRF) is pleased to announce that it has closed the first tranche of its non-brokered private placement offering (the "Offering") of up to 16,000,000 units (the "Units") at a price of C$0.55 per Unit first announced on November 18 (see Guanajuato Silver news releases dated November 18, 2021 & November 29, 2021). The Company has issued a total of 14,957,672 Units for gross proceeds of $8,195,920; each Unit consists of one common share of the Company and one half (1/2) of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase an additional common share of the Company at a price of C$0.75 for a period of two years from of closing, subject to acceleration in certain events.

James Anderson, Chairman & CEO, commented, "Participation from all of our largest shareholders - Endeavour Silver Corp., Myrmikan Capital LLC., VBS Exchange PTY Ltd., - in this strategic financing affirms the tremendous value and potential of our precious metals mines, while also endorsing our vision for growth and expansion within the Guanajuato Mining District. With a healthy treasury now in place, we will continue to focus on successfully completing the ramp-up at El Cubo, which is intended to see increasing mined tonnage, higher precious metal grades, overall improved recoveries, and above all, consistent silver-gold concentrate sales."

Certain directors and officers of the Company also purchased, directly or indirectly, an aggregate of 2,712,400 Units totalling C$1,491,820 of the Offering.

The net proceeds from the Offering will be used to fund the ongoing exploration, development, and expansion of the Company's El Cubo mine and mill complex and El Pinguico silver and gold project, and for general corporate and working capital purposes.

The Company has paid finder's fees in connection with the first tranche of the Offering totalling approximately $80,700 cash and finder warrants to purchase up to 78,144 common shares of the Company on the same terms as the Warrants in accordance with the policies of the TSX Venture Exchange.

The Company also announces that it has issued an additional 901,224 common shares to Endeavour Silver Corp. (the "Endeavour") at a deemed price of C$0.55 per share in settlement of Mexican value added tax totalling C$495,573 (US$396,000) payable to Endeavour in connection with the Company's early payment of the US$2.5 million promissory note issued pursuant to the Company's acquisition of the El Cubo mine and mill complex as announced November 16, 2021 (the "VAT Settlement").

All securities issued in connection with the first tranche of the Offering and the VAT Settlement are subject to a four month hold period expiring April 1, 2022.

The acquisition of Units in the Offering by Endeavour and certain directors and officers of the Company (collectively "Insiders") and the issuance of common shares to Endeavour pursuant to the VAT Settlement constitute "related party transactions" as defined in Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). In completing such transactions, the Company has relied upon exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) thereof on the basis that neither the fair market value of the Units issued to the Insiders under the Offering nor the fair market value of the VAT Settlement with Endeavour, in either case, exceeded 25% of the Company's market capitalization.

About Guanajuato Silver Co. Ltd.:

GSilver mines and processes silver and gold concentrate from its El Cubo mine and mill. The Company continues to delineate additional silver and gold resources through underground drilling at El Cubo and its nearby El Pinguico project. Both projects are located within 11km of the city of Guanajuato, which has an established 480-year mining history.

ON BEHALF OF THE BOARD OF DIRECTORS
"James Anderson"
Chairman and CEO

For further information regarding Guanajuato Silver Co. Ltd, please contact:

JJ Jennex, Communications Manager, +1 (604) 723-1433

Email: jjj@gsilver.com

Continue to watch our progress at: www.GSilver.com

Neither the 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.

This new release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Forward-Looking Statements

This news release contains certain forward-looking statements and information, which relate to future events or future performance including, but not limited to, the total proceeds to be raised under the Offering and the timing thereof and the use of proceeds therefrom. Such forward-looking statements and information reflect management's current beliefs and are based on information currently available to and assumptions made by the Company; which assumptions, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. Readers are cautioned that such forward-looking statements and information are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to, market conditions, availability of financing, currency rate fluctuations, actual results of exploration, development and production activities, actual resource grades and recoveries of silver and gold, unanticipated geological or structural formations and characteristics, environmental risks, future prices of gold, silver and other metals, operating risks, accidents, labor issues, equipment or personnel delays, delays in obtaining governmental or regulatory approvals and permits, inadequate insurance, and other risks in the mining industry. There are no assurances that GSilver will be able to successfully ramp-up and maintain production at the El Cubo mill to process mineralized materials to produce silver and gold concentrate in the amounts, grades, recoveries, costs and timetable anticipated. In addition, GSilver's decision to process mineralized material from its estimated resources at El Cubo and above and underground stockpiles at El Pinguico through the El Cubo mill is not based on a feasibility study of mineral reserves demonstrating economic and technical viability and therefore is subject to increased uncertainty and risk of failure, both economically and technically. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability, are considered too speculative geologically to have the economic considerations applied to them, and may be materially affected by environmental, permitting, legal, title, socio-political, marketing, and other relevant issues. There are no assurances that the results of the Company's recently announced preliminary economic assessment and projected production of silver and gold will be realized. There is also uncertainty about the spread of COVID-19 and variants of concern and the impact they will have on the Company's operations, supply chains, ability to access El Pinguico and/or El Cubo or procure equipment, contractors and other personnel on a timely basis or at all and economic activity in general. All the forward-looking statements made in this news release are qualified by these cautionary statements and those in our continuous disclosure filings available on SEDAR at www.sedar.com. These forward-looking statements are made as of the date hereof and the Company does not assume any

obligation to update or revise them to reflect new events or circumstances save as required by law.

Guanajuato Silver Company Ltd.
PH: +1(778) 989-5346 E: info@GSilver.com W: GSilver.com
CA: Suite 578 - 999 Canada Place, Vancouver B.C. V6C 3E1
MX: Carretera - Guanajuato - Silao km 5.5, Int 4, Col. Marfil CP36250, Guanajuato, Gto., Mexico

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