

Allied Gold Announces \$175 Million Streaming Agreement With Wheaton Precious Metals International Securing Financing For Its Kurmuk Project

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TORONTO, Dec. 5, 2024 - [Allied Gold Corp.](#) (TSX: AAUC) (OTCQX: AAUCF) ("Allied" or the "Company") is pleased to enter into final documentation for a streaming transaction (the "Stream Transaction") with Wheaton Precious Metals International, a wholly-owned subsidiary of [Wheaton Precious Metals Corp.](#), ("Wheaton"). Under the terms of the streaming agreement, Allied will receive a \$175 million upfront cash payment (the "Advance Amount") to support the funding of its growth strategy underpinned by its fully permitted, and highly prolific Kurmuk project in Ethiopia.

The Stream Transaction with WPMI strongly endorses the quality and significant value of the Kurmuk project, and the exploration efforts being carried out by the Company. This Stream Transaction further advances the Company's financial and transformative growth phase at an attractive cost of capital, contributing to de-risking Kurmuk's execution with a comprehensive financing package supporting the advancement of initiatives to unlock further upside potential and maximize shareholder value.

"We are delighted to partner with Wheaton on this streaming financing. This began as a multi-party process although it was clear that Wheaton would be our partner of choice. They conducted detailed and extensive diligence, were supportive of our plans, and in evaluating and considering optimization opportunities and recognized the inherent value of our Kurmuk project, a value that exceeds the value implied in our share price. We take our sustainability programs seriously, and it was a delight to see Wheaton's programs but provide suggested improvements. We also welcome Wheaton as a shareholder with a share position acquired through overnight marketed equity financing," commented Peter Marrone, Chairman and CEO. "The stream financing now allows for a prepay which is the final component of our planned comprehensive financing package for the development of the Kurmuk project, expected to be led by the lending syndicate for the Company's revolving credit facility with proceeds available to Allied for the stream financing. We expect the Kurmuk mine will become one of the more significant precious metal mines in the world upon production and cash flow following its construction."

"Wheaton is pleased to announce a streaming agreement with Allied to advance the construction of the Kurmuk project, a commercial gold mine in Ethiopia," said Randy Smallwood, President and CEO of Wheaton Precious Metals. "This fully permitted development project offers significant exploration potential, supported by a team at Allied with a proven operating track record, a partner with Allied to unlock opportunities that empower the local communities and help drive the growth of Ethiopia's economic sector."

Key Terms

- **Upfront Consideration:** WPMI will pay Allied total upfront cash consideration of \$175 million in four equal installments, subject to certain customary conditions.
- **Stream Parameters:**
 - WPMI will have the right to purchase 6.7% of payable gold from the Company's Kurmuk mine (the "Stream").
 - The gold stream rate will step down to 4.8% of payable gold after the delivery of 220,000 ounces of gold.
 - WPMI will make ongoing payments of 15% of the spot gold price for each ounce delivered under the Stream.
 - The Stream will cover the existing Kurmuk mining license and until 255,000 ounces of gold have been delivered. WPMI's interests located within a 50 km radius of the mining license which are processed at the Kurmuk plant.
- **Buyback Option:**
 - In the event of a change of control of Allied prior to the earlier of January 1, 2027 and achievement of commercial production, WPMI will buyback one third of the Kurmuk Stream.
- **Other Considerations:**
 - WPMI has been granted a right of first refusal on any future precious metal streams, royalties, prepaids or similar arrangements on the project.
 - Allied is expected to comply in all material respects with the International Finance Corporation's Performance Standards on Environmental and Social Sustainability, the Voluntary Principles on Security and Human Rights, the Global Industry Standard on Environmental Reporting, WPMI's Partner/Supplier Code of Conduct, which outlines WPMI's expectations with regard to environmental and social matters.
 - Wheaton participated in Allied's equity financing completed on October 18, 2024 in the amount of C\$20.15 million, totalling C\$221 million.

Transaction Rationale

- **Crystallizes Significant Inherent Value in Kurmuk** - The Stream Transaction recognizes the inherent value of the Kurmuk project, which implies a valuation multiple significantly higher than that at which the Company's shares currently trade in the market. The Company went public.
- **Attractive Cost of Capital** - The Company evaluated different financing options as part of an exhaustive process, and the Stream Transaction provides much better cost of capital than any other alternative. The Stream agreement offers a comprehensive financing package for Kurmuk's Proven & Probable Mineral Reserves and remains favorable when assuming Mineral Resources conversion within the mining license.

"plan", "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words or negative statements that certain events or conditions "may", "will", "should", "would" or "could" occur. In particular, forward-looking information in this press release includes, without limitation, statements with respect to information concerning the Stream Transaction and the completion thereof, and the closing thereof, expectations to be fully financed, expected production, exploration, development and other activities herein being met. Forward-looking information is based on the opinions, assumptions and estimates of management at the time the statements are made, and is inherently subject to a variety of risks and uncertainties and other known and unknown factors that may cause events or results to differ materially from those projected in the forward-looking information. These factors include the conditions precedent to the completion of the transactions discussed herein; ability to successfully execute on its development and expansion plans; expected life of mine extension being achieved as anticipated; dependence on products produced from the mine; fluctuating price of gold; risks relating to the exploration, development and operation of mineral properties, including but not limited to environmental and climatic conditions, unusual and unexpected geologic conditions and equipment failures; risks relating to the volatile markets, particularly Africa, including risk of government expropriation or nationalization of mining operations; health, safety and hazards to which the Company's operations are subject; the Company's ability to maintain or increase present level of production; the Company's ability to execute on its expansion and optimization plans; nature and climatic condition risks; counterparty, credit and access to financing; the Company's success in executing non-dilutive financing alternatives; cost and availability of capital; costs of production, such as fuel, steel, power, labour and other consumables; risks associated with infectious diseases; Mineral Reserves and Mineral Resources; the Company's ability to replace and expand Mineral Resources and Mineral Reserves; factors that may affect the Company's future production estimates, including but not limited to the quality of ore, grade, and availability of workforce and equipment; risks relating to partial ownerships and/or joint ventures at the Company's operating mines; the Company's existing infrastructure and supply chains at the Company's operating mines; risks relating to the acquisition of mining rights and permits, and changes to the mining legislative and regulatory regimes in the Company's operating jurisdictions; insurance coverage; risks relating to illegal and artisanal mining; the Company's compliance with anti-corruption laws; risks relating to construction and start-up of new mines, including but not limited to the availability and performance of contractors and subcontractors; governmental approvals and permits, and cost overruns; risks relating to acquisitions and divestitures; title disputes or challenges to termination of mining rights; risks relating to security and human rights; risks associated with processing and metallurgical operations; enforcing legal rights in foreign jurisdictions; competition in the precious metals mining industry; risks related to the Company's obligations; fluctuating currency exchange rates (including the US Dollar, Euro, West African CFA Franc and Ethiopian Birr); risks related to the Company's investments and use of derivatives; taxation risks; scrutiny from non-governmental organizations; relations; risks related to third-party contractor arrangements; repatriation of funds from foreign subsidiaries; community relations; reliance on local advisors and consultants in foreign jurisdictions; the impact of global financial, economic and political conditions; inflation and other factors on the Company's results of operations and market price of common shares; risks associated with natural majeure events; transactions that may result in dilution to common shares; future sales of common shares by existing shareholders; dependence on key management personnel and executives; vulnerability of information systems including cyber attack risks; and other risks discussed or referred to herein.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ from those described in forward-looking information, there may be other factors that could cause actions, events or results to not be as expected or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future developments may differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking information. Management's estimates, assumptions or opinions should change, except as required by applicable law. The reader is cautioned against reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of providing an understanding of the Company's strategic financing package and the Company's operational performance and the Company's results may not be appropriate for other purposes.

CAUTIONARY STATEMENT REGARDING NON-GAAP MEASURES

The Company has included certain non-GAAP financial performance measures in this press release, which supplement the GAAP financial Statements that are presented in accordance with IFRS, including the following:

- Cash costs per gold ounce sold (which is included in AISC); and
- AISC per gold ounce sold

The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with a means to evaluate the underlying performance of the Company.

Non-GAAP financial performance measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures employed by other companies. Non-GAAP financial performance measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS and other financial measures, such as operating costs, operating earnings or cash flows presented under IFRS.

Management's determination of the components of non-GAAP financial performance measures and other financial measures

periodic basis, influenced by new items and transactions, a review of investor uses and new regulations as applicable. are duly noted and retrospectively applied, as applicable. Subtotals and per unit measures may not calculate based on following tables due to rounding.

The measures of cash costs and AISC, along with revenue from sales, are considered to be key indicators of a company's earnings and cash flows from its mining operations.

CASH COSTS PER GOLD OUNCE SOLD

Cash costs include mine site operating costs such as mining, processing, administration, production taxes and royalties, and income tax calculations. Cash costs exclude DA, exploration costs, accretion and amortization of reclamation and remediation, and development and exploration spend. Cash costs include only items directly related to each mine site, and do not include the general corporate overhead structure.

The Company discloses cash costs because it understands that certain investors use this information to determine the earnings and cash flows for use in investing and other activities. The Company believes that conventional measures of performance in accordance with IFRS do not fully illustrate the ability of its operating mines to generate cash flows. The most directly comparable measure of cash costs, excluding DA. As aforementioned, this non-GAAP measure does not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures employed by other companies, should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS, and is not necessarily indicative of operating costs, operating earnings or cash flows presented under IFRS.

Cash costs are computed on a weighted average basis, with the aforementioned costs, net of by-product revenue credits from the numerator in the calculation, divided by gold ounces sold.

AISC PER GOLD OUNCE SOLD

AISC figures are calculated generally in accordance with a standard developed by the World Gold Council ("WGC"), a non-profit development organization for the gold industry. Adoption of the standard is voluntary, and the standard is an attempt to achieve consistency amongst the industry and those that adopt it. Nonetheless, the cost measures presented herein may not be comparable to the measures of other companies. The Company is not a member of the WGC at this time.

AISC include cash costs (as defined above), mine sustaining capital expenditures (including stripping), sustaining mine development, expensed and capitalized, and accretion and amortization of reclamation and remediation. AISC exclude capital expenditures for mine expansions, exploration and evaluation costs attributable to growth projects, DA, income tax payments, borrowing costs, and development and exploration spend. AISC include only items directly related to each mine site, and do not include any cost associated with the general corporate overhead structure. As a result, Total AISC represent the weighted average of the three operating mines, and not a consolidated total for the Company. This measure is not representative of all of the Company's cash expenditures.

Sustaining capital expenditures are expenditures that do not increase annual gold ounce production at a mine site and are not related to the Company's development projects as well as certain expenditures at the Company's operating sites that are deemed exploration. Examples include the Sadiola Phased Expansion, the construction and development of Kurmuk and the PB5 pushback at Bonikro. Exploration expenditures represent exploration spend that has met criteria for capitalization under IFRS.

The Company discloses AISC as it believes that the measure provides useful information and assists investors in understanding the costs of expenditures of producing and selling gold from current operations, and evaluating the Company's operating performance. The most directly comparable IFRS measure is cost of sales, excluding DA. As aforementioned, this non-GAAP measure does not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures employed by other companies, should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS, and is not necessarily indicative of operating costs, operating earnings or cash flows presented under IFRS.

AISC are computed on a weighted average basis, with the aforementioned costs, net of by-product revenue credits from the numerator in the calculation, divided by gold ounces sold.

CAUTIONARY NOTE TO U.S. INVESTORS REGARDING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESERVES

This press release uses the terms "Measured", "Indicated" and "Inferred" Mineral Resources as defined in accordance with NI 43-101. United States readers are advised that while such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission does not recognize them. Under United States standards, mineralisation may not be classified as a "reserve" unless the determination has been made that the mineralisation could be economically and legally produced or extracted at the time the reserve calculation is made. United States readers are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into reserves. In addition, "Inferred Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resource will ever be upgraded to a higher category. United States readers are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable.

NOTES ON MINERAL RESERVES AND MINERAL RESOURCES

Mineral Resources are stated effective as at December 31, 2023, reported at a 0.5 g/t cut-off grade, constrained within estimated in accordance with the 2014 Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Reserves ("CIM Standards") and NI 43-101. Where Mineral Resources are stated alongside Mineral Reserves, those Mineral Resources are in addition to, and not in addition to, the stated Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have a date of determination.

Mineral Reserves are stated effective as at December 31, 2023 and estimated in accordance with CIM Standards and NI 43-101. Mineral Reserves are stated as follows:

- are inclusive of the Mineral Resources which were converted in line with the material classifications based on the Mineral Resource estimate;
- reflect that portion of the Mineral Resources which can be economically extracted by open pit methods;
- consider the modifying factors and other parameters, including but not limited to the mining, metallurgical, social, financial aspects of the project;
- include an allowance for mining dilution and ore loss; and
- were reported using cut-off grades that vary by ore type due to variations in recoveries and operating costs. The cut-off grades are based on a \$1,500/ounce gold price, except for the Agbalé pit, which was based on a \$1,800/ounce gold price.

Mineral Reserve and Mineral Resource estimates are shown on a 100% basis. Designated government entities and national governments hold the following interests in each of the mines: 20% of Sadiola, 10.11% of Bonikro and 15% of Agbaou. Only a portion of the Mineral Resources are carried. The Government of Ethiopia is entitled to a 7% equity participation in Kurmuk once the mine enters into commercial production.

The Mineral Resource and Mineral Reserve estimates for each of the Company's mineral properties have been approved by the Board of Directors (within the meaning of NI 43-101) as set forth below:

Qualified Person of Mineral Reserves Qualified Person of Mineral Resources

John Cooke of Allied Gold Corporation Steve Craig of Oreology Consulting Pty Ltd.

Mineral Reserves (Proven and Probable)

The following table sets forth the Mineral Reserve estimates for the Company's mineral properties as at December 31, 2023:

| Mineral Property | Proven Mineral Reserves | | | Probable Mineral Reserves | | | Total Mineral Reserves | | |
|-------------------------------|-------------------------|-------------|---------------|---------------------------|-------------|---------------|------------------------|-------------|---------------|
| | Tonnes (kt) | Grade (g/t) | Content (koz) | Tonnes (kt) | Grade (g/t) | Content (koz) | Tonnes (kt) | Grade (g/t) | Content (koz) |
| Sadiola Mine | 18,612 | 0.82 | 492 | 137,174 | 1.57 | 6,907 | 155,786 | 1.48 | 7,400 |
| Kurmuk Project | 21,864 | 1.51 | 1,063 | 38,670 | 1.35 | 1,678 | 60,534 | 1.41 | 2,742 |
| Bonikro Mine | 4,771 | 0.71 | 108 | 8,900 | 1.62 | 462 | 13,671 | 1.30 | 720 |
| Agbaou Mine | 1,815 | 2.01 | 117 | 6,092 | 1.79 | 351 | 7,907 | 1.84 | 468 |
| Total Mineral Reserves | | | | | | | | | |

47,061

190,836

Notes:

- Mineral Reserves are stated effective as at December 31, 2023 and estimated in accordance with CIM Standards
- Shown on a 100% basis.
- Reflects that portion of the Mineral Resource which can be economically extracted by open pit methods.
- Considers the modifying factors and other parameters, including but not limited to the mining, metallurgical, social and financial aspects of the project.

Sadiola Mine:

- Includes an allowance for mining dilution at 8% and ore loss at 3%
- A base gold price of \$1500/oz was used for the pit optimization, with the selected pit shells using values of \$1320/oz for Sadiola Main and \$1500/oz (revenue factor 1.00) for FE3, FE4, Diba, Tambali and Sekekoto.
- The cut-off grades used for Mineral Reserves reporting were informed by a \$1500/oz gold price and vary from 0.3 to 0.7 g/t Au for different ore types due to differences in recoveries, costs for ore processing and ore haulage.

Kurmuk Project:

- Includes an allowance for mining dilution at 18% and ore loss at 2%
- A base gold price of \$1500/oz was used for the pit optimization, with the selected pit shells using values of \$1320/oz for Ashashire and \$1440/oz (revenue factor 0.96) for Dish Mountain.
- The cut-off grades used for Mineral Reserves reporting were informed by a US\$1500/oz gold price and vary from 0.3 to 0.7 g/t Au for different ore types due to differences in recoveries, costs for ore processing and ore haulage.

Bonikro Mine:

- Includes an allowance for mining dilution at 8% and ore loss at 5%
- A base gold price of \$1500/oz was used for the Mineral Reserves for the Bonikro pit:
 - With the selected pit shell using a value of \$1388/oz (revenue factor 0.925).
 - Cut-off grades vary from 0.68 to 0.74 g/t Au for different ore types due to differences in recoveries, costs for ore processing and ore haulage.
- A base gold price of \$1800/oz was used for the Mineral Reserves for the Agbalé pit:
 - With the selected pit shell using a value of \$1800/oz (revenue factor 1.00).
 - Cut-off grades vary from 0.58 to 1.00 g/t Au for different ore types to the Agbaou processing plant due to differences in recoveries, costs for ore processing and ore haulage.

Agbaou Mine:

- Includes an allowance for mining dilution at 26% and ore loss at 1%
- A base gold price of \$1500/oz was used for the Mineral Reserves for the:
 - Pit designs (revenue factor 1.00) apart from North Gate (Stage 41) and South Sat (Stage 215) pit designs with a base gold price of \$1800/oz and account for 49 koz or 10% of the Mineral Reserves.
 - Cut-off grades which range from 0.49 to 0.74 g/t Au for different ore types due to differences in recoveries, costs for ore processing and ore haulage.

Mineral Resources (Measured, Indicated, Inferred)

The following table set forth the Measured and Indicated Mineral Resource estimates (inclusive of Mineral Reserves) at the end of the reporting period at December 31, 2023.

| Mineral Property | Measured Mineral Resources | | | Indicated Mineral Resources | | | Total Measured and Indicated | |
|-------------------------|----------------------------|-------------|---------------|-----------------------------|-------------|---------------|------------------------------|-------------|
| | Tonnes (kt) | Grade (g/t) | Content (koz) | Tonnes (kt) | Grade (g/t) | Content (koz) | Tonnes (kt) | Grade (g/t) |
| Sadiola Mine | 20,079 | 0.86 | 557 | 205,952 | 1.53 | 10,101 | 226,031 | 1.47 |
| Kurmuk Project | 20,472 | 1.74 | 1,148 | 37,439 | 1.64 | 1,972 | 57,912 | 1.68 |
| Bonikro Mine | 7,033 | 0.98 | 222 | 25,793 | 1.41 | 1,171 | 32,826 | 1.32 |
| Agbaou Mine | 2,219 | 2.15 | 154 | 11,130 | 1.96 | 701 | 13,349 | 1.99 |
| Total Mineral Resources | 49,804 | 1.30 | 2,081 | 280,315 | 1.55 | 13,945 | 330,118 | 1.51 |

The following table set forth the Inferred Mineral Resource estimates and for the Company's mineral properties as at December 31, 2023.

| Mineral Property | Inferred Mineral Resources | | |
|-------------------------|----------------------------|-------------|---------------|
| | Tonnes (kt) | Grade (g/t) | Content (koz) |
| Sadiola Mine | 16,177 | 1.12 | 581 |
| Kurmuk Project | 5,980 | 1.62 | 311 |
| Bonikro Mine | 19,588 | 1.30 | 816 |
| Agbaou Mine | 959 | 1.84 | 57 |
| Total Mineral Resources | 42,704 | 1.29 | 1,765 |

Notes:

- Mineral Resources are estimated in accordance with CIM Standards and NI 43-101.
- Shown on a 100% basis.
- Are inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- Are listed at 0.5 g/t Au cut-off grade, constrained within an US\$1800/oz pit shell and depleted to 31 December 2023.
- Rounding of numbers may lead to discrepancies when summing columns.

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