

McEwen Mining Completes Upsized \$110 Million Offering of Convertible Senior Unsecured Notes

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TORONTO, Feb. 11, 2025 - [McEwen Mining Inc.](#) (NYSE: MUX) (TSX: MUX) (the "Company") is pleased to announce it has closed its previously announced offering of 5.25% convertible senior notes due 2030 (the "Notes") in an aggregate principal amount of \$110 million (the "Offering"), which includes the upsized offering of \$95 million and the exercise in full of the \$15 million option granted to the initial purchasers of the Notes. All amounts are in United States Dollars.

The initial conversion rate for the Notes is 88.9284 shares of the Company's common stock per \$1,000 principal amount of Notes, equivalent to an initial conversion price of approximately \$11.25 per share, which represents a premium of approximately 30% to the closing sale price of the Company's common stock on February 6th, 2025; the capped call⁽¹⁾ has the potential to synthetically increase the effective conversion price for conversions at maturity to \$17.30 per share, which represents a premium of 100% to the closing sale price on NYSE of the Company's common stock on February 6th, 2025.

"McEwen Mining chose this innovative financing to fund accretive growth initiatives at what we view as an attractive cost of capital designed to minimize potential dilution to our existing stockholders. I am excited about the prospects for our Company while protecting our stockholders from substantial dilution. Dilution from this financing has the potential to be zero if the stock price at maturity is at or below \$17.30, a 100% premium to our NYSE closing sale price of \$8.65 on February 6th, 2025. In addition, the Notes are unsecured, while carrying a coupon of 5.25%, which is 4.50% lower than the 9.75% coupon paid on the outstanding senior secured debt of \$40 million. This debt will be reduced to \$20 million through partial repayment using a portion of the net proceeds from the Offering. The remaining net proceeds will be used for general corporate purposes. As a result of our exploration success expanding our gold resources, we are developing plans that target an increase in the Fox Complex's gold production from 30,000 ounces in 2024 to 60,000 ounces in 2027 and to 150,000 ounces by 2030," commented Rob McEwen, Chairman and Chief Owner.

Final Details of the Offering

- Approximately \$90.8 million of net proceeds after adjusting for \$15.1 million of capped call costs, and \$4.1 million of underwriting costs and other offering expenses
- Interest rate of 5.25% per year, payable semi-annually in arrears on February 15th and August 15th of each year, beginning August 15th, 2025
- Initial conversion rate of 88.9284 shares of common stock per \$1,000 principal amount of Notes, which represents a conversion price of approximately \$11.25 per share
- Effective conversion price for conversions at maturity of up to \$17.30 per share after giving effect to the capped call
- The Notes are callable at the Company's option on or after August 21, 2028, if the Company's common stock is at least approximately \$14.62 (130% of the approximately \$11.25 conversion price) for a specified period
- The Notes will mature on August 15th, 2030, unless earlier converted, redeemed or repurchased

Use of Net Proceeds for the Offering

1. Approximately \$15.1 million to pay the cost of the capped call;
2. \$20 million to partially repay a portion of the Company's borrowings under its senior secured credit facility; and
3. The remaining net proceeds are for general corporate purposes.

The Offering was conducted in a private placement to persons reasonably believed to be qualified

institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The offer and sale of the Notes and any shares of common stock issuable upon conversion of the Notes have not been, and will not be, registered under the Securities Act or any other securities laws, and the Notes and any such shares cannot be offered or sold absent registration or except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. This press release does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes or any shares of common stock issuable upon conversion of the Notes, nor will there be any sale of the Notes or any such shares, in any state or other jurisdiction in which such offer, sale or solicitation would be unlawful.

(1) A capped call is an options strategy used by companies issuing convertible debt to reduce potential equity dilution upon conversion. It involves purchasing call options at the convertible bonds strike price while simultaneously selling higher-strike call options, limiting the potential stock appreciation benefit for bondholders and effectively raising the conversion price.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This news release contains certain forward-looking statements and information, including "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements and information expressed, as of the date of this news release, are the Company's estimates, forecasts, projections, expectations, or beliefs as to future events and results. These forward-looking statements include statements regarding the intended use of net proceeds from the Offering, and the effects of entering into the capped call transactions described above and the actions of the option counterparties and their respective affiliates. Forward-looking statements and information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic, and competitive uncertainties, risks, and contingencies, and there can be no assurance that such statements and information will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and information. Among the important factors that the Company thinks could cause its actual results to differ materially from those expressed in or contemplated by the forward-looking statements include risks related to or associated with the intended benefits of the Offering, including the capped call transactions, market conditions, and risks relating to the Company's business, including those described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31st, 2023 and in the Company's subsequent filings under the Securities Exchange Act of 1934, as amended. All forward-looking statements and information made in this news release are qualified by this cautionary statement.

The NYSE and TSX have not reviewed and do not accept responsibility for the adequacy or accuracy of the contents of this news release, which has been prepared by the management of McEwen Mining Inc.

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