

Coastal Gold Announces Filing of Notice and Access and Proposed Shares for Debt Settlement

06.05.2014 | [Marketwired](#)

TORONTO, ONTARIO -- (Marketwired - May 6, 2014) - [Coastal Gold Corp.](#) (TSX VENTURE:COD) (FRANKFURT:CY41) ("Coastal Gold" or the "Company") will be taking advantage of the Notice-and-Access rules to reduce printing and mailing costs associated with the dissemination of annual information to shareholders. Notice-and-Access permits annual financial statements, management's discussion and analysis and meeting circulars to be posted on a publicly available website, instead of being mailed to shareholders. Shareholders may access these materials under the Company's profile on SEDAR at www.sedar.com or at <http://noticeinsite.equityfinancialtrust.com/CoastalASM2014/>.

Proposed Shares for Debt Settlement

On April 11, 2013, Coastal Gold converted dated accounts payable owing to 2227929 Ontario Inc. ("2227929"), Forbes & Manhattan, Inc. ("Forbes"), [Aberdeen International Inc.](#) ("Aberdeen") and Pearson Geological Ltd. ("Pearson Geological", and together with 2227929, Forbes and Aberdeen, the "Creditors") into term loans in the aggregate principal amount of \$1,256,587 (the "Term Loans"). The Term Loans mature on December 31, 2014 and carry an interest rate of 10% per annum. Consulting and services fees have continued to accrue to 2227929, Forbes and Pearson Geological since April 11, 2013.

As of July 1, 2014 (the "Settlement Date"), the aggregate amount owing to the Creditors, including the Term Loans, is \$1,731,432.97.

On May 5, 2014, each of the Creditors entered into a settlement agreement (the "Settlement Agreements") with Coastal Gold whereby the Corporation would issue on the Settlement Date common shares of Coastal Gold at a deemed price of \$0.05 per Common Share in full and final settlement of the amounts owing to such Creditors as of the Settlement Date (the "Shares for Debt Settlement"). Pursuant to the Settlement Agreements, a total of 34,628,659 Common Shares would be issued to the Creditors on the Settlement Date, which would represent 20.46% of the issued and outstanding Common Shares following the completion of the Shares for Debt Settlement.

The board and management of Coastal Gold believe that the proposed Shares for Debt Settlement is in the best interests of Coastal Gold because the Creditors have agreed to settle the debts owed to them for common shares at a price per share of \$0.05, a 150% premium to the closing market price of the Corporation's common shares on the TSX Venture Exchange on May 5, 2014.

The completion of the Shares for Debt Settlement is subject to disinterested shareholder approval at the upcoming annual general and special meeting of Coastal Gold, scheduled to be held on June 16, 2014, and acceptance by the TSX Venture Exchange.

Dr. William Pearson, the President and Chief Executive Officer and a director of Coastal Gold, is the majority owner of Pearson Geological and, therefore, Coastal Gold and Pearson Geological are non-arm's length parties under the policies of the TSX Venture Exchange. The Shares for Debt Settlement with Pearson Geological also constitutes a "related party transaction" for Coastal Gold under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"), as Pearson Geological would receive common shares of Coastal Gold pursuant to the Shares for Debt Settlement. The total liability proposed to be settled with Pearson Geological pursuant to the Shares for Debt Settlement is \$368,379.51. Pursuant to sections 5.5(a) and 5.7(1)(a) of MI 61-101, Coastal Gold is exempt from the requirements under MI 61-101 of having to perform a formal valuation of, and obtaining minority approval of, the Shares for Debt Settlement with Pearson Geological, as, at the time the Shares for Debt Settlement was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Shares for Debt Settlement, insofar as it involved "interested parties" (as defined in MI 61-101), exceeded 25% of Coastal Gold's market capitalization.

ABOUT COASTAL GOLD

[Coastal Gold](#) is a Canadian mineral exploration company listed on the TSX Venture Exchange under the symbol "COD". Coastal Gold's flag ship property is the Hope Brook Gold Project located in southwestern Newfoundland, which has 19.9 million tonnes at 1.93 g Au/t for 1,239,000 ounces of indicated mineral resources and 1.3 million tonnes at 3.22 g Au/t for 138,000 ounces of inferred mineral resources. In addition, there are inferred mineral resources in the tailings of 4.9 million tonnes at 0.85 g Au/t and 0.09% copper containing 134,500 ounces of gold and 9.5 million pounds of copper. For details regarding the mineral resources, see the technical report entitled "2013 Mineral Resource Estimate Technical Report, Hope Brook Gold Project, Newfoundland and Labrador, Canada" effective as of December 4, 2013, which is available under the Company's profile on SEDAR at www.sedar.com.

QUALIFIED PERSON

Dr. Bill Pearson, P.Geo., President & CEO of Coastal Gold and a Qualified Person as defined by NI 43-101, has reviewed and approved the scientific and technical content of this news release.

Cautionary Note Regarding Forward-looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements regarding the Company's views regarding the impact of the Shares for Debt Settlement on the Company and the estimation of mineral resources. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; future prices of mineral prices; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and shortages and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/172658--Coastal-Gold-Announces-Filing-of-Notice-and-Access-and-Proposed-Shares-for-Debt-Settlement.html>

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