

Mawson West Closes Financing and Debt Restructuring Package

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Highlights:

- C\$5 million private placement by Mawson West of 41.67 million shares at a price of C\$0.12 per share to the Galena Private Equity Resources Fund LP;
- US\$10 million secured loan facility from Galena to Mawson West, repayable in September 2017, with interest of 12% per annum, with 75.76 million warrants exercisable at C\$0.15 issued to Galena;
- US\$5 million unsecured bridge loan from Galena to Mawson West, repayable on or before 28 February 2015, with interest of 12% per annum, with 7.58 million warrants exercisable at C\$0.15 issued to Galena;
- Galena to backstop Mawson West by agreeing to purchase additional shares for a minimum of C\$8.64 million and up to C\$21.6 million at a price of C\$0.12 per share under contemplated future financing efforts by Mawson West; and
- Maturity Date of the Trafigura Prepayment Facility extended by 9 months to June 2017, US\$19m in repayments deferred and flexibility of proceeds account structure increased to assist with cashflow.

PERTH, AUSTRALIA -- (Marketwired - Dec. 19, 2014) - [Mawson West Limited](#) (TSX:MWE) ("Mawson West" or "the Company") is pleased to announce that the Company has completed portions of its previously announced transaction with Galena Private Equity Resources Fund LP ("Galena"), whereby Galena has provided the Company with an immediate US\$19.3 million in financing. Galena has also agreed, subject to certain conditions, to back-stop future additional financing efforts by Mawson West by subscribing for additional shares of Mawson West for a minimum of C\$8.64 million and up to C\$21.6 million. The total gross proceeds raised following completion of the additional financing will be approximately US\$33.4 million. In addition, Galena's affiliate entity Trafigura Pte Ltd. ("Trafigura"), the Company's current offtaker and senior lender, has provided additional financial assistance to the Company through amendments to its Prepayment Facility with Trafigura and an extension to the term of its offtake agreement with Trafigura.

The closing of these portions of the transaction follows the Company's receipt of permission from the Toronto Stock Exchange (the "TSX") to rely on a financial hardship exemption in order to complete the transaction, as described in the Company's press release dated 11 December 2014.

The transaction with Galena included, among other matters, a private placement of ordinary shares of Mawson West to Galena, a loan by Galena to Mawson West's subsidiary, Anvil Mining Congo SA ("AMC"), and a bridge loan by Galena to Mawson West. The proceeds from the private placement and the loans will be used to provide the Company with sufficient working capital to manage the uninterrupted ramp up of the Kapulo copper mine through to positive cash flows and strengthen its balance sheet to manage its debt repayment requirements.

Private Placement

Under the private placement, Mawson West issued 41,666,667 ordinary shares in the Company to Galena on a private placement basis at an issue price of C\$0.12 per share for gross proceeds of C\$5.0 million. In connection with the financing, Mawson West paid Galena a 3% brokerage fee satisfied through the issuance of a further 1,164,094 shares at the same price, with the balance paid in cash. The shares issued to Galena under the private placement are subject to resale restrictions under Canadian securities laws and the rules of the TSX expiring on 19 April 2015.

Loan Facilities

Under the loan to AMC, Galena has provided a US\$10 million loan facility to AMC, which has been fully drawn by AMC. The loan facility has a maturity date of 30 September 2017 and bears interest at a rate of

12.0% per annum. The facility is secured against the shares the Company indirectly holds in AMC, but is subordinate to the existing US\$50 million copper concentrate prepayment facility ("Prepayment Facility") between AMC and Trafigura announced by the Company on 16 April 2014, and is guaranteed by the Company. AMC has the right to prepay the facility in partial repayments of US\$2 million at its sole discretion.

Under the bridge loan to Mawson West, Galena has provided a US\$5 million bridge loan facility to the Company, which has been fully drawn on by Mawson West. The bridge loan has a maturity date of 28 February 2015 and bears interest at a rate of 12.0% per annum. The bridge loan is unsecured and is subordinate to the Prepayment Facility between AMC and Trafigura.

As partial consideration for providing the loan and bridge loan facilities, the Company has issued a total of 83,333,334 ordinary share purchase warrants to Galena having an exercise price of C\$0.15 per share, expiring on 30 September 2017 and being subject to standard anti-dilution adjustments. The issuance of Mawson West shares upon exercise of the warrants is subject to the receipt of shareholder approval.

Mawson West will call a general meeting of its shareholders to be held in February 2015 to seek approval for the issuance of the Mawson West shares upon exercise of the warrants, among other matters, as described in the Company's press release dated 11 December 2014. Should shareholder approval not be obtained at the shareholders meeting, the warrants will be satisfied by a cash settlement mechanism that will require Mawson West to, on demand by Galena on any single occasion prior to 30 September 2017, pay the difference between the exercise price for the warrants and the most recent closing price of the Company's ordinary shares on the TSX on the date Galena demands payment (the "Cash Settlement Mechanism"). There is no maximum to the potential payment under the Cash Settlement Mechanism. The interest rate of the loan and bridge facilities will also increase to 15% per annum in the event that shareholder approval is not received for the issuance of Mawson West shares upon exercise of the warrants.

Galena Early Warning Reporting

As a result of the private placement and the loan facilities, Galena (whose address is Maples Corporate Services Limited, PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands) owns and controls 42,830,761 ordinary shares of the Company, representing 19.99% of the issued and outstanding ordinary shares following completion of the placement, as well as 83,333,334 warrants of the Company. Assuming exercise of all of the warrants held by Galena, Galena would have ownership and control over 126,164,095 ordinary shares of the Company, representing approximately 42.4% of the issued and outstanding shares of the Company post-warrant exercise. The Company is advised that Galena acquired these securities for investment purposes and has no present intention to acquire further securities of the Company other than under the backstop agreement with the Company in respect of the Additional Financing (as defined below), although it may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant. A copy of the early warning report required to be filed by Galena with applicable securities commissions in connection with this acquisition is available for viewing under the Company's profile on SEDAR at www.sedar.com and a copy of the early warning report may be obtained by contacting media relations for Galena, at +41 (0) 22 592 4528 or media@galena-invest.com.

Additional Transaction Terms

- Galena has agreed, subject to certain conditions, to back-stop Mawson West in additional financing efforts it intends to undertake by purchasing additional shares in any such financing for a minimum of C\$8.64 million and up to C\$21.6 million at a price of C\$0.12 per share ("Additional Financing"). Any exercise of the back-stop agreement is subject to approval by Mawson West's shareholders. Mawson West will be obliged to repay the Galena bridge loan facility from the proceeds of any Additional Financing undertaken. Mawson West has engaged Paradigm Capital Inc. as agent in connection with the Additional Financing.

- The Prepayment Facility with Trafigura has been amended to extend its maturity date and defer a number of principal repayments. The maturity date of the Prepayment Facility has been extended from 30 September 2016 to 30 June 2017. The principal repayment schedule has also been amended so that the US\$50 million of principal repayments that were due between March 2015 and 30 September 2016 under the original repayment schedule have been reduced by US\$19 million, with this amount deferred and now repayable during the period 31 December 2016 to 30 June 2017. In addition, Trafigura has agreed to allow additional withdrawals from an offshore proceeds account AMC is required to operate under the Prepayment Facility, which will assist AMC with managing available cash to meet its costs and other obligations during 2015. No other changes have been made to the Prepayment Facility and the principal amount owing under the facility of US\$50 million remains fully repayable by the revised maturity date of 30 June 2017.

- AMC's existing offtake agreement with Trafigura, which has a current term of 4 years and entitles Trafigura

to 100% of the copper concentrate produced from the Dikulushi and Kapulo Projects, has been extended for up to a further 5 years. Trafigura has been given a right to match any third party off-take arrangements for an additional 5 years thereafter.

- Mawson West has entered into ancillary rights agreements with Galena and Trafigura under which a number of rights have been provided to Galena and Trafigura in consideration of the financing provided under the transaction and the amendments to the Prepayment Facility agreements, including for Galena, the right to nominate up to two representatives to the Mawson West board of directors, pre-emptive rights and certain prospectus filing and piggyback registration rights, as disclosed in the Company's press release dated 11 December 2014.

Filing of Documents

Copies of the material documents relating to this transaction will be filed under Mawson West's profile on SEDAR.

About Mawson West Limited

[Mawson West](#) is a copper and silver-focused resource company listed on the TSX and based in Perth, Australia.

The Company's two key projects are the Dikulushi copper-silver mine and the Kapulo copper mine located in the Katanga province in South Eastern Democratic Republic of Congo ("DRC"). Mawson West also continues to focus on exploring multiple prospective targets located within its significant land holding of approximately 7,300km² in the DRC's rich copper belt.

About Galena Asset Management

Galena Asset Management S.A. is a Switzerland based fund manager operated by independent specialist management as part of the Trafigura Group. Galena seeks to draw on the commodity, metals and mining and technical expertise of the Trafigura Group in managing a number of fund products. The Galena Private Equity Resources Fund LP, closed in September 2014 is a US\$400 million closed end Cayman Islands limited partnership designed to invest in the natural resources sector. Galena invests in late stage and producing assets in a variety of jurisdictions and commodities around the globe.

Forward-looking statements

This news release contains certain "forward looking statements". These statements reflect management's current beliefs with respect to future events and are based on information currently available to management of the Company. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including (without limitation) the risks identified in the "Risk Factors" section of the Company's Annual Information Form and other public filings (copies of which may be obtained at www.sedar.com). The results or events depicted in these forward-looking statements may differ materially from actual results or events. Any forward-looking statement speaks only as of the date of this news release and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this press release.

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