

# Alloycorp Mining Inc. Announces Amendment to Loan Agreement, Share Consolidation and Share Issuance

22.04.2016 | [Marketwired](#)

[Alloycorp Mining Inc.](#) (TSX VENTURE: AVT) ("Alloycorp" or the "Company") announces that it has entered into an agreement (the "Amendment") to amend the terms of its existing US\$54.5 million loan facility (the "2014 Loan") dated November 14, 2014, as amended, among the Company, Avanti Kitsault Mine Ltd. ("Avanti Kitsault") and Resource Capital Fund VI L.P. ("RCF VI").

The purpose of the Amendment is to increase the funds available under the 2014 Loan by an additional US\$1,500,000. The interest rate on the 2014 Loan will remain unchanged at 12.5% per annum. Any accrued and unpaid interest will be payable in cash at maturity. The default interest rate remains unchanged and is payable at the applicable interest rate plus 5% per annum, compounded quarterly in arrears together with all other due but unpaid interest. No consideration will be payable by the Company to RCF VI in connection with the Amendment and the Company remains free to prepay all amounts owing under the 2014 Loan at any time. A copy of the Amendment will be filed by the Company on [www.sedar.com](http://www.sedar.com).

It is a condition to the advance of the funds under the Amendment that the Company complete a consolidation of its common shares on the basis of one new share for ten old shares (1:10) (the "Consolidation"). The Consolidation was approved by shareholders of the Company at a shareholders' meeting held on November 28, 2014. The Company's consolidated common shares are expected to begin trading on the TSX Venture Exchange ("TSXV") when the markets open on April 27, 2016.

Each ten (10) common shares issued and outstanding will automatically be reclassified, without any action of the holder thereof, into one common share. The share consolidation will affect all of the Company's common shares outstanding immediately prior to the market opening on April 27, 2016. As a result of the share consolidation, the number of issued and outstanding common shares will be reduced from ten (10) to one (1) (subject to fractional treatment). Each shareholder's percentage ownership in the Company and proportional voting power will remain unchanged after the share consolidation, except for minor changes and adjustments resulting from the treatment of fractional shares.

No fractional shares will be issued as a result of the share consolidation. Fractional interests of 0.5 or greater will be rounded up to the nearest whole number of shares and fractional interests of less than 0.5 will be rounded down to the nearest whole number of shares, in accordance with the Business Corporations Act (British Columbia). Registered shareholders of the Company will receive a letter of transmittal from the Company's transfer agent, Computershare Investor Services Inc., as soon as practicable after the effective date of the share consolidation. The letter of transmittal will enable registered shareholders to exchange their old share certificates representing pre-consolidation common shares for post-Consolidation common shares. Until surrendered, each share certificate representing pre-Consolidation common shares will represent the number of whole post-Consolidation common shares to which the holder is entitled as a result of the Consolidation.

Shareholders who hold their common shares in brokerage accounts or in "street name" are not required to take any action to effect the exchange of their common shares.

It is also a condition to the advance of funds under the Amendment that the Company pay to RCF VI all accrued and unpaid interest on the 2014 Loan up to and including April 26, 2016 (approximately C\$9,500,000) in common shares (the "Interest Shares"), issued on a post-consolidation basis at an issue price equal to the volume weighted average price of the Company's common shares on the TSXV-V for the prior twenty trading days multiplied by the 10:1 consolidation ratio.

RCF VI and Resource Capital Fund IV L.P. (together "RCF") currently collectively own 63% of the Company's common shares and after completion of the share issuance in exchange for accrued and unpaid interest, it is expected that RCF will own approximately 82% of the Company's issued and outstanding common shares. In addition to the US\$56 million that will be outstanding under the 2014 Loan after drawdown of the increased facility, the Company also owes RCF US\$70 million pursuant to two convertible loans for total indebtedness to RCF of US\$126 million. Total interest accrued on the three loans is expected to be US\$3,250,000 per quarter after the payment described above. RCF can convert US\$20 million of the

convertible loans at a conversion price of \$0.07 per share and US\$50 million at a conversion price of \$0.055 per share, in each case on a pre-Consolidation basis. Assuming the conversion of the loans, RCF would own more than 90% of the issued and outstanding shares of the Company.

Given the basic shareholding of RCF after giving effect to this share issuance and the ability of RCF to increase its interest to over 90% upon conversion of its convertible loans, RCF will be in a position to exercise even more significant influence over the Company. To the extent that it votes its shares at meetings of shareholders, RCF would be able to carry all ordinary and special resolutions brought before shareholders. In addition, if RCF's interest in the Company exceeds 90%, RCF could effect a related party or business combination transaction without the need for such a transaction to be approved by minority shareholders of the Company, provided that certain conditions are satisfied.

The listing of the consolidated common shares on the TSX-V and the issuance of the Interest Shares is subject to the prior approval and acceptance of the TSX-V.

The purpose of the Amendment is to (i) provide corporate working capital in accordance with an updated budget for the Kitsault molybdenum project in British Columbia, Canada (the "Project" or "Kitsault"), and (ii) to afford the Company additional time to complete a restructuring of its existing loan facilities.

The Amendment was negotiated on an arms' length basis with RCF VI. The Amendment was considered and approved by the board of directors of the Company. There was no materially contrary view or abstention by any director approving the Amendment. It is expected that the closing of the Amendment will occur less than 21 days after the date of this press release, which is reasonable in the circumstances in order to provide the Company with access to the funds on an expedited basis.

RCF is an "insider" (as defined in applicable securities laws) of the Company. Pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"), the Amendment is considered a "related party transaction". The Amendment is exempt from the requirements to obtain a formal valuation pursuant to the exemption in section 5.5(b) of MI 61-101, as the Company is not listed on a specified market, and is exempt from minority shareholder approval pursuant to section 5.7(f) of MI 61-101, as the Amendment does not have an equity or voting component and is on reasonable commercial terms that are not less advantageous to the Company than if the Amendment were obtained from an arm's length party.

### **About Kitsault**

The Kitsault molybdenum project ("Kitsault" or the "Project") is located in the Nass Valley area, approximately 140 km north of Prince Rupert, in British Columbia, Canada. Alloycorp holds a 100% interest in the Project through its wholly owned subsidiary, Avanti Kitsault. Kitsault is fully permitted for construction.

### **About Resource Capital Fund VI L.P.**

RCF VI is a private equity fund with the mandate to make investments exclusively in the mining sector across a diversified range of mineral commodities and geographic regions. RCF VI is managed by RCF Management L.L.C. which has its principal office in Denver and additional offices in Perth, New York (Long Island) and Toronto. RCF VI and Resource Capital Fund IV L.P. have provided financing for Alloycorp to acquire and develop the Kitsault deposit since 2008.

### **About Alloycorp**

Alloycorp is a TSX-Venture listed company headquartered in Toronto with an operations office in Vancouver. Alloycorp's strategy is to become the unique supplier of steel alloy metals. Cornerstone to this strategy is the development of the Avanti Kitsault project. Parallel to this, Alloycorp is seeking to grow through the acquisition of other assets with commodities that supply to the steel alloys industry.

*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.*

*Forward-Looking Statements: This news release contains certain forward-looking information concerning the business of Alloycorp. All statements, other than statements of historical fact, included herein, including, without limitation, the anticipated development of the Avanti Kitsault project and future acquisition of assets, are forward-looking statements. These forward-looking statements are based on the opinions of*

*management at the date the statements are made and are based on assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events to differ materially from those projected in forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies and native groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; and other risks and uncertainties disclosed in the Company's Annual Information Form for the year ended December 31, 2014, which is available at [www.sedar.com](http://www.sedar.com). The Company is under no obligation to update forward-looking statements if circumstances or management's opinions should change, excepting as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.*

**For further information, please contact:**

[Alloycorp Mining Inc.](#)

Shawn Howarth

Vice President, Corporate Development and Investor Relations

(416) 847-0376

---

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/228476--Alloycorp-Mining-Inc.-Announces-Amendment-to-Loan-Agreement-Share-Consolidation-and-Share-Issuance.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

---

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!  
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).