

CROPS Inc. to complete loan conversion and first tranche of debenture private placement

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VANCOUVER, Aug. 08, 2018 - [CROPS Inc.](#) (TSXV:COPS) announces that it has received from the TSX Venture Exchange approval to complete a first tranche of its previously announced proposed private placement financing of convertible debentures and warrants (see CROPS news releases of May 22 and July 10, 2018). The first tranche will be the issuance to Sprott Resource Lending Partnership of approximately CAD\$4,027,000 worth of secured debentures, plus 25.17 million warrants. The issuance of the debentures and warrants will repay in full the currently outstanding US\$3.0 million loan held by Sprott, plus accrued interest.

The debentures will have a term of three years, and will be convertible, at the election of the holder, into common shares of the Company at the rate of CAD\$0.08 per share (for a maximum of 50.34 million shares) if converted in the first year, or at the rate of CAD\$0.10 per share (for a maximum of 40.27 million shares) if converted in the second or third years. The warrants will be exercisable at a price of CAD\$0.08 per share for up to three years.

The debentures will bear interest which is paid quarterly in cash at the annual rate of 8%. The Company may, however, subject to stock exchange approval at the time, elect to pay the interest in common shares of the Company, in which case the annual interest rate for the applicable payment will be 10% rather than 8%.

The debentures and warrants to be issued to Sprott will include a restriction such that the holder may only be issued the number of debenture shares or warrant shares at any given time that will not result in the holder owning or controlling 20% or more of the total outstanding shares of the Company on a non-diluted basis, unless and until a resolution approving such issuance of shares has been passed by the shareholders of the Company in accordance with the applicable rules and policies of the Exchange.

Following completion of the conversion of the Sprott loan as described above, CROPS intends to issue a second tranche of unsecured convertible debentures and warrants to raise funds for general working capital purposes.

The securities referred to in this news release have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements of such Act. This news release shall not constitute an offer to sell, nor the solicitation of an offer to buy, any securities. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the company and management, as well as financial statements.

About CROPS

CROPS is developing the Bayovar 12 phosphate deposit located 40 km from the coast in the Sechura District of northern Peru. Bayovar 12 hosts a large resource of highly-reactive sedimentary phosphate rock - a key raw material input for phosphate fertilizers and vital to world food production. Reactive phosphate rock from Sechura is a natural, slow-release source of phosphorus that can be applied directly to crops. As well, elemental phosphorus from Bayovar 12 can be used in various industrial applications.

For further information, please visit our web site www.crop2o5.com.

ON BEHALF OF THE BOARD

Simon Ridgway, Chief Executive Officer

Symbol: TSXV-COPS
Shares Issued: 58.7 million

For further information, contact:

Gordon Tainton, President
Tel: 604-248-8380; Fax: 604-682-1514
Email: info@crop2o5.com
Website: www.crop2o5.com

Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

Certain statements contained in this news release constitute forward-looking statements within the meaning of Canadian securities legislation. All statements included herein, other than statements of historical fact, are forward-looking statements and include, without limitation, statements about the Company's Bayovar 12 project, the Company's plans to complete the loan conversion and private placement tranches, and how the financing proceeds will be allocated. Often, but not always, these forward looking statements can be identified by the use of words such as "estimate", "estimates", "estimated", "potential", "open", "future", "assumed", "projected", "used", "detailed", "has been", "gain", "upgraded", "offset", "limited", "contained", "reflecting", "containing", "remaining", "to be", "periodically", or statements that events, "could" or "should" occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by forward-looking statements. Such uncertainties and factors relate to, among other things, information regarding the Company's plans for the Bayovar 12 project; completing the loan conversion and private placement on the terms stated; the expenditure of the financing proceeds as planned; changes in general economic conditions and financial markets; the Company or any joint venture partner not having the financial ability to meet its exploration and development goals; risks associated with the results of exploration and development activities, estimation of mineral resources and the geology, grade and continuity of mineral deposits; unanticipated costs and expenses; and such other risks detailed from time to time in the Company's quarterly and annual filings with securities regulators and available under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward-looking statements contained herein are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to: that the Company's stated goals for the Bayovar 12 project will be achieved; that the Company will complete the loan conversion and private placement tranches on the terms stated; that the Company will spend the financing proceeds as planned; that there will be no material adverse change affecting the Company or its properties; and such other assumptions as set out herein. Forward-looking statements are made as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on forward-looking statements.

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