

Avesoro Resources Inc. Loan Agreement and Update on Acquisition Proposal

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New Working Capital Facility

TORONTO, Sept. 1, 2019 - Further to the announcement of August 20, 2019, the Company announces that it has entered into a loan agreement in connection with an additional working capital facility (the "New Facility") of up to US\$5,000,000 with Avesoro Jersey Limited ("AJL") to assist with satisfying the Company's near term cashflow needs.

The Company has drawn down the entire amount available under the New Facility and the funds have been made available for general working capital purposes. The New Facility is unsecured and ranks subordinated to the Company's existing facilities. Interest will be charged on the drawn amount at a fixed rate of 3.0 per cent per annum. The New Facility is due to be repaid in full no later than 12 months following drawdown and has no early repayment penalty. Following drawdown of the New Facility, the balance of working capital loans provided by AJL is US\$42,235,025.

The Company has agreed to the following conditions in relation to the New Facility:

- the Company will not incur any additional indebtedness or issue any equity interests in the Company until completion of its next Annual General Meeting without the unanimous approval of the Company's board of directors (the "Board");
- the Company will not file or initiate any insolvency proceedings until completion of its next Annual General Meeting without the unanimous approval of the Board;
- the Company will not terminate the employment or appointment of its Chief Executive Officer or Chief Financial Officer until completion of its next Annual General Meeting without the unanimous approval of the Board;
- following the formal commencement of the Takeover Bid (as defined below), upon the earlier of (i) the termination of the Takeover Bid in accordance with its terms because the minimum tender condition has not been satisfied or because another condition has not been satisfied due to a force majeure or other event which materially and adversely affects the Company, and (ii) January 1, 2020, AJL will have the right to appoint one additional director (who need not be independent) to the Board and to appoint two further independent directors to the Board. Each appointment will be subject to compliance with applicable laws, the on-boarding process, and the approval of the Company's nominated adviser.

The effect of the final condition listed above is to amend the Relationship Agreement between AJL and the Company by potentially increasing the number of directors appointed to the Board by AJL.

AJL has reiterated its commitment to continue to support the financial needs of the Company while the Takeover Bid is ongoing and will not seek any changes to the Board (save as set out above) during that time.

The Company also announces that it has received loan deferrals as follows:

- US\$10 million loan principal and associated interest due to AJL under an earlier working capital facility from the due date of March 13, 2020 to October 31, 2020;
- Deferral of payment obligations under the equipment finance loans from Mapa Insaat Ve Ticaret AS, a related party, until October 31, 2020 of which c.US\$5.5m and EUR2.5m had been overdue and a further c.US\$5.2m and EUR2.7m would have fallen due for payment before October 31, 2020.

The Company continues discussions with its senior secured lenders as announced on August 20, 2019.

Related Party Transaction (AIM Rule 13)

AJL is a substantial shareholder of the Company (72.9% of the Company's issued and outstanding Common Shares). As a result, entering into the New Facility and the consequent amendments to the Relationship Agreement constitute related party transactions under the AIM Rules for Companies. The independent directors of the Company, being Mr David Netherway, Mr Jean-Guy Martin and Mr Loudon Owen consider, having consulted with the Company's nominated adviser, that the terms of the New Facility and amendments to the Relationship Agreement are fair and reasonable insofar as the Company's shareholders are concerned.

The entry into the New Facility is also a related party transaction for the purposes of Multilateral Instrument 61-101; Protection of Minority Shareholders in Special Transactions ("MI 61-101") in Canada. The Company is relying on the exemption available under section 5.7(f) of MI 61-101 from the minority shareholder approval requirements. The New Facility is not a type of related party transaction that is subject to the formal valuation requirement under MI 61-101.

AJL Takeover Bid

The Company refers to the announcement made by AJL concurrently with this announcement pursuant to which AJL has announced its intention to launch a binding takeover bid offer to acquire all of the issued and outstanding Common Shares that it does not already own at a price of £1 per Common Share (the "Takeover Bid") in compliance with National Instrument 62-104; Take-Over Bids and Issuer Bids ("NI 62-104") and MI 61-101. The Company understands that the lock up agreements entered into by AJL and holders of 12.9% of the outstanding Common Shares will continue to apply to a takeover bid transaction structure.

As the Takeover Bid will constitute an "insider bid" within the meaning of MI 61-101, AJL is required to obtain a formal valuation within the meaning of MI 61-101. Further, the special committee of independent directors of the Company (the "Special Committee") is required to select and engage an independent valuator at AJL's expense; supervise the preparation of a formal valuation by that independent valuator; and use its best efforts to ensure that the formal valuation is completed and provided to AJL in a timely manner. AJL has agreed that it will use its reasonable endeavours to commence a formal Take-Over Bid by circular as soon as it has received the formal valuation and in such time as would allow the Takeover Bid to complete by January 1, 2020.

In light of the notification from AJL that it intends to commence the Takeover Bid, the Special Committee has determined it appropriate to take steps to shorten the deposit period for acceptance of the bid from 105 days to 35 days from the date of the bid (including the delivery of a formal valuation) following the formal commencement of the Takeover Bid. The Special Committee has notified AJL of its intention to shorten the deposit period to facilitate the Takeover Bid given the shareholder support for the Takeover Bid (as evidenced by the lock up agreements announced on August 20, 2019) and the Company's current financial and operating status.

Notwithstanding the above, it is important to note that although AJL has announced its intention to launch a binding Take-Over Bid it is under no formal legal obligation to do so.

Further announcements by the Company in respect of the Takeover Bid will be made in due course.

Operational Update and Production Guidance

As announced on August 20, 2019, mining and processing operations at the Youga Gold Mine have recommenced. Additional heavy mining equipment ("HME") has begun to arrive on site, with mining capacity now standing at 80% of the pre-security incident level. Further HME mobilised by the mining contractor is expected to arrive at site during September, with operations returning to full capacity by the end of September.

At the New Liberty Gold Mine, pit dewatering continues to progress, whilst the HME fleet remains focused on waste stripping. It is now estimated that ore mining could recommence within the next ten days with gold processing operations restarting shortly thereafter.

About Avesoro Resources Inc.

Avesoro Resources is a West Africa focused gold producer and development company that operates two gold mines across West Africa and is listed on the Toronto Stock Exchange ("TSX") and the AIM market operated by the London Stock Exchange ("AIM"). The Company's assets include the New Liberty Gold Mine in Liberia and the Youga Gold Mine in Burkina Faso.

For more information, please visit www.avesoro.com

Certain information communicated in this announcement was, prior to its publication, inside information for the purposes of Article 7 of Regulation 596/2014.

Forward Looking Statements

Certain information contained in this press release constitutes forward looking information or forward-looking statements within the meaning of applicable securities laws. This information or statements may relate to future events, facts, or circumstances or the Company's future financial or operating performance or other future events or circumstances. All information other than historical fact is forward looking information and involves known and unknown risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results, performance, events or circumstances expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "would", "project", "should", "believe", "target", "predict" and "potential". No assurance can be given that this information will prove to be correct and such forward looking information included in this press release should not be unduly relied upon. Forward looking information and statements speak only as of the date of this press release.

Forward looking statements or information in this press release include statements regarding the Takeover Bid and the transactions contemplated thereby.

In making the forward looking information or statements contained in this press release, assumptions have been made regarding, among other things: general business, economic and mining industry conditions; interest rates and foreign exchange rates; the continuing accuracy of Mineral Resource and Reserve estimates; geological and metallurgical conditions (including with respect to the size, grade and recoverability of Mineral Resources and Reserves) and cost estimates on which the Mineral Resource and Reserve estimates are based; the supply and demand for commodities and precious and base metals and the level and volatility of the prices of gold; market competition; the ability of the Company to raise sufficient funds from capital markets and/or debt to meet its future obligations and planned activities and that unforeseen events do not impact the ability of the Company to use existing funds to fund future plans and projects as currently contemplated; the stability and predictability of the political environments and legal and regulatory frameworks including with respect to, among other things, the ability of the Company to obtain, maintain, renew and/or extend required permits, licences, authorizations and/or approvals from the appropriate regulatory authorities; that contractual counterparties perform as agreed; and the ability of the Company to continue to obtain and retain qualified staff (including employees and contractors) and equipment in a timely and cost-efficient manner to meet its demand.

Actual results could differ materially from those anticipated in the forward-looking information or statements contained in this press release as a result of risks and uncertainties (both foreseen and unforeseen) and should not be read as guarantees of future performance or results and will not necessarily be accurate indicators of whether or not such results will be achieved. These risks and uncertainties include customary completion risks for transactions similar to the Takeover Bid, and it is specifically noted that AJL has not yet formally commenced the Takeover Bid and there is no guarantee that AJL will do so, or that if commenced it will be completed on the terms set out in this press release or at all. Other risks are those normally incidental to exploration and development of mineral projects and the conduct of mining operations (including exploration failure, cost overruns or increases, and operational difficulties resulting from plant or equipment failure, among others); the inability of the Company to obtain required financing when needed and/or on acceptable terms or at all; risks related to operating in West Africa, including potentially more limited infrastructure and/or less developed legal and regulatory regimes; health risks associated with the mining workforce in West Africa; risks related to the Company's title to its mineral properties; the risk of adverse

changes in commodity prices; the risk that the Company's exploration for and development of mineral deposits may not be successful; the inability of the Company to obtain, maintain, renew and/or extend required licences, permits, authorizations and/or approvals from the appropriate regulatory authorities and other risks relating to the legal and regulatory frameworks in jurisdictions where the Company operates, including adverse or arbitrary changes in applicable laws or regulations or in their enforcement; competitive conditions in the mineral exploration and mining industry; risks related to obtaining insurance or adequate levels of insurance for the Company's operations; that Mineral Resource and Reserve estimates are only estimates and actual metal produced may be less than estimated in a Mineral Resource or Reserve estimate; the risk that the Company will be unable to delineate additional Mineral Resources; risks related to environmental regulations and cost of compliance, as well as costs associated with possible breaches of such regulations; uncertainties in the interpretation of results from drilling; risks related to the tax residency of the Company; the possibility that future exploration, development or mining results will not be consistent with expectations; the risk of delays in construction resulting from, among others, the failure to obtain materials in a timely manner or on a delayed schedule; inflation pressures which may increase the cost of production or of consumables beyond what is estimated in studies and forecasts; changes in exchange and interest rates; risks related to the activities of artisanal miners, whose activities could delay or hinder exploration or mining operations; the risk that third parties to contracts may not perform as contracted or may breach their agreements; the risk that plant, equipment or labour may not be available at a reasonable cost or at all, or cease to be available or resign, or in the case of labour, may undertake strike or other labour actions; the inability to attract and retain key management and personnel; and the risk of political uncertainty, terrorism, civil strife, or war in the jurisdictions in which the Company operates, or in neighbouring jurisdictions which could impact on the Company's exploration, development and operating activities.

Although the forward-looking statements contained in this press release are based upon what management believes are reasonable assumptions, the Company cannot provide assurance that actual results or performance will be consistent with these forward-looking statements. The forward looking information and statements included in this press release are expressly qualified by this cautionary statement and are made only as of the date of this press release. The Company does not undertake any obligation to publicly update or revise any forward looking information except as required by applicable securities laws.

SOURCE [Avesoro Resources Inc.](#)

Contact

[Avesoro Resources Inc.](#), Geoff Eyre / Nick Smith, Tel: +44(0) 20 3405 9160; Camarco (IR / Financial PR), Gordon Poole / Nick Hennis, Tel: +44(0) 20 3757 4980; finnCap (Nominated Adviser and Joint Broker), Christopher Raggett / Scott Mathieson / Camille Gochez, Tel: +44(0) 20 7220 0500; Berenberg (Joint Broker), Matthew Armitt / Detlir Elezi, Tel: +44(0) 20 3207 7800; Hannam & Partners (Joint Broker), Rupert Fane / Andrew Chubb / Ernest Bell, Tel: +44(0) 20 7907 8500

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