

Kerr Mines Closes Financing With Sprott Resource Lending

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TORONTO, March 23, 2020 - [Kerr Mines Inc.](#) (TSX: KER, OTC: KERMF) (“Kerr” or the “Company”), announces the completion of its previously announced financing by Sprott Private Resource Lending (Collector), LP (“Sprott”), of an additional US\$500,000 (approx. CDN\$725,000) under its current US\$1.5 million senior secured convertible note (“the “Sprott Note”).

The Sprott Note bears interest at a rate of 9% per annum payable semi-annually. The maturity date of the Sprott Note has also been extended to May 31, 2021. The new US\$500,000 advance under the Sprott Note is convertible into Common Shares at any time prior to maturity at a conversion price of CDN\$0.13 per share. The balance of the principal amount of the Sprott Note, being US\$1,500,000, remains convertible into Common Shares at a conversion price of CDN\$0.16 per share. The Company can redeem the Sprott Note at any time by paying the outstanding principal amount in cash, or with the agreement of the holder, in Common Shares of the Company, together with interest payable to maturity.

In connection with the Sprott Note and the extension, the Company issued to Sprott an additional 650,000 common share purchase warrants (the “Sprott Warrants”). Each Sprott Warrant entitles the holder to purchase one Common Share at a price of CDN\$0.13 until November 28, 2023. The Company and Sprott have also agreed to extend the expiry date of the 1,000,000 common share purchase warrants issued to Sprott on November 28, 2018 in connection with the issuance of the Sprott Note from November 28, 2021 to November 28, 2023. Sprott is arm’s length to the Company. The extension will become effective on April 6, 2020. The expiry of all common share purchase warrants issued to Sprott can be accelerated at the Company’s election if the trading price of the common shares is higher than 2.5 times the exercise price for 30 consecutive trading days.

Giulio T. Bonifacio, Chief Executive Officer stated: “With total proceeds of CDN\$3.9 million raised from the recently completed private placement and the Sprott financing in support of our short term project milestones, the Company can now pursue further expansion of its existing reserves and resources at our high grade Copperstone gold project through a targeted drill program while also testing the exploration upside of our 50 square kilometre land position. Additionally, the Company will continue to advance detailed engineering and project optimization for purposes of finalizing project funding for the re-start of commercial production at Copperstone.” Mr. Bonifacio further commented: “COVID -19 represents a significant and unprecedented challenge for many businesses. We will continue with our planned exploration activities and take steps to minimize risks to the health and safety of our employees and contractors. The Company will monitor and assess developments, including recommendations from governmental authorities, and adjust its activities accordingly.”

About Kerr Mines Inc.

Kerr Mines is an Emerging American Gold Producer advancing the re-start of production at its 100% owned, fully permitted past-producing Copperstone Mine project located in mining-friendly Arizona. The Copperstone project demonstrates significant upside exploration potential within a 50 Square Kilometre (12,260 acre) land package that includes past production of over 500,000 ounces of gold by way of an open pit operation. The Company’s current focus is on maximizing Copperstone’s potential by defining and expanding current resources and further optimizing mine’s economics for purposes of the re-start of production.

For further information please visit the Kerr Mines website (www.kerrmines.com).

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Cautionary Note Regarding Forward Looking Statements

This news release contains forward-looking statements, including current expectations on future exploration plans and completion of the proposed Offering. These forward-looking statements entail various risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Such statements are based on current expectations, are subject to a number of uncertainties and risks, and actual results may differ materially from those contained in such statements. These uncertainties and risks include, but are not limited to, the strength of the Canadian economy; the price of gold; operational, funding, and liquidity risks; reliance on third parties, the degree to which mineral resource and reserve estimates are reflective of actual mineral resources and reserves; and the degree to which factors which would make a mineral deposit commercially viable are present; the risks and hazards associated with underground operations. Risks and uncertainties about Kerr Mines's business are more fully discussed in the Company's disclosure materials, including its annual information form and MD&A, filed with the securities regulatory authorities in Canada and available at www.sedar.com and readers are urged to read these materials. Kerr Mines assumes no obligation to update any forward-looking statement or to update the reasons why actual results could differ from such statements unless required by law.

While management believes that the results of its project optimization efforts and proposed changes to the project design are likely to improve the overall economics of the Copperstone Project previously disclosed in the Copperstone PFS, there can be no certainty that the actual effects will be as stated. The Company has not completed a new economic study in accordance with applicable law to evaluate the effect of the proposed changes and, as such, readers should not place undue reliance on these statements as the actual results may be significantly less favorable than expected.

Neither TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release and no stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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