

Nevada Copper Executes Binding Agreements For Balance Sheet Strengthening Financing Package

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YERINGTON, March 27, 2020 - [Nevada Copper Corp.](#) (TSX: NCU) ("Nevada Copper" or the "Company") is pleased to announce the execution of definitive agreements in respect of the Company's proposed substantial balance sheet strengthening package announced on March 18, 2020.

The financing package provides improved flexibility for the Company's balance sheet whilst ramping-up operations and in light of the substantial macro-economic uncertainty and depressed copper prices.

Nevada Copper has in place COVID-19 response plans and currently its operations are continuing with limited disruption. However, there are no guarantees that in the future further work restrictions will not be required, or government mandated, as events continue to unfold relating to COVID-19.

Matt Gili, Chief Executive Officer, commented: *"The successful execution of the agreements providing for this financing package is a significant achievement amidst the current environment, and provides a strong vote of confidence from our key stakeholders. The increased balance sheet strength to be provided by the package will play an important role in ensuring the Company's ongoing stability."*

Highlights of the balance sheet strengthening package:

- \$12,200,000 re-sculpting of senior debt service: KfW IPEX-Bank GMBH ("KfW"), the Company's senior lender, has agreed to a re-sculpting of amortization and debt service reserve account payments over the next 18 months;
- \$35,000,000 royalty and stream transactions: Triple Flag Precious Metals Corp. and its affiliates have agreed to provide a multi-tranche financing comprising an amendment to the existing underground mine precious metals stream, in addition to the purchase of royalties relating to the Open Pit Project and Tedeboy exploration property;
- \$30,000,000 Credit Facility refinancing: The existing \$30,000,000 unsecured credit facility entered into with Pala Investments Limited ("Pala") on November 29, 2019 (the "Credit Facility") will be replaced with a new longer-term convertible facility; and
- \$20,000,000 backstop: As part of the package, Pala has agreed to provide an additional capital backstop allowing for additional certainty of funds in the event of further copper price declines or operational disruptions.

Further Details of the Refinancing Transactions:

KfW Amendment

The Company has entered into an amendment to its existing senior credit facility with KfW providing for an aggregate of \$12,200,000 in payment deferrals through the re-sculpting of certain amortization and debt service reserve account payments to maximize access to liquidity over the next 18 months. The amendments include a deferral of scheduled principal payments for 18 months with the deferred amount being payable on a pro rata basis with the remaining installments until the existing maturity date. They also include postponing the required funding date for the debt service reserve account for 18 months. Such amendments are subject to closing of the transactions contemplated by the Refinancing Transactions referred to below.

Triple Flag Transactions

The Company has entered into a royalty and streaming implementation agreement with Triple Flag Precious Metals Corp., Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag Bermuda") and Triple Flag USA Royalties Ltd. (collectively, "Triple Flag") that provides for payments by Triple Flag to the Company of an aggregate amount of \$35,000,000 through the entering into of the following agreements: (a) an amendment to the existing metals purchase and sale agreement, as amended, between the Company and Triple Flag Bermuda (the "Existing Stream Agreement" and after giving effect to the proposed amendments, the "Stream Agreement") that provides for an additional \$15,000,000 in payments by Triple Flag Bermuda, comprised of a \$10,000,000 payment on May 1, 2020 and an additional \$5,000,000 to be paid through the reinvestment of 50% of the value of metal deliveries received by Triple Flag Bermuda under the terms of the Stream Agreement, (b) a new royalty agreement providing for a 0.70% net smelter return royalty in respect of the Company's Open Pit mining project on its Pumpkin Hollow Property for a purchase price of \$17,000,000 payable on closing; and (c) a separate new royalty agreement providing for a 2.00% net smelter return royalty in respect of the Company's Tedeboy exploration project (the "Tedeboy Project") adjacent to its Pumpkin Hollow property for a purchase price of \$3,000,000 payable on closing and an additional contingent payment of \$5,000,000 upon commercial production commencing in respect of the Tedeboy Project (which is not included in the \$35,000,000 above) (collectively, the "Triple Flag Transactions" and together with the Convertible Loan and the Backstop referred to below, the "Refinancing Transactions"). In addition, Triple Flag will be issued an aggregate of 15,000,000 common share purchase warrants of the Company at an exercise price of C\$0.225 that are exercisable for a period of five years (the "Triple Flag Warrants").

Closing of the Triple Flag Transactions is subject to certain conditions, including, certain consents, concurrent closing of the Convertible Loan and the Backstop referred to below, and the approval of the Toronto Stock Exchange ("TSX") with respect to the Triple Flag Warrants. Closing of the Refinancing Transactions is expected to occur on or before March 30, 2020 (the "Closing Date").

Convertible Loan

The Company has entered into a convertible loan facility (the "Convertible Loan") with Pala in the principal amount of \$30,000,000 in order to extend and replace the Credit Facility. The Convertible Loan shall be repaid on the date that is four years from the Closing Date (the "Maturity Date") and will bear interest at the rate of 14% per annum, quarterly in arrears. At the option of the Corporation, subject to approval of the TSX, such accrued interest may be satisfied through the issuance of common shares of NCU ("Common Shares") based on the five-day volume weighted average price ("VWAP") of the Common Shares ended on the day prior to the relevant interest payment date, provided the Company may always pay such interest in cash if permitted to do so under its existing financing arrangements. Pala may, at any time, and from time to time, convert all or a portion of the Convertible Loan into Common Shares at a price per Common Share which is the lower: (a) of C\$0.1575 (being a 1% premium to the five-day VWAP of the Common Shares on the TSX over the period ending on March 25, 2020 (the "Current Market Price")); and (b) a 5% premium to the five-day VWAP of the Common Shares on the TSX over the period ending on April 1, 2020 (being the expected date of obtaining the TSX approval referred to below under "*Regulatory Matters*"), with a minimum conversion price of C\$0.12 (the "Conversion Price"). The Credit Facility will be repaid in full through the proceeds from the Convertible Loan. All fees, interest and other expenses that have accrued, are outstanding or will become outstanding as a result of the repayment of the Credit Facility in the aggregate amount of \$3,400,000, will be satisfied through the issuance of an aggregate of 32,400,000 Common Shares to Pala (the "Fee Shares"), reflecting a price per Common Share of C\$0.1575 being equal to the Current Market Price. The Convertible Loan may be prepaid by the Company in full at any time, subject payment of a premium of 15% in year 1, 10% in year 2, 8% in year 3 and 5% in year 4. The Convertible Loan is also repayable subject to a make whole amount upon certain change of control events. Pala is entitled to a restructuring and extension fee of 8% of the principal amount of the Convertible Loan which shall be added to the principal amount of the Convertible Loan.

The closing of the Convertible Loan transaction and replacement of the Credit Facility is subject to the closing of the Triple Flag Transactions and certain other customary closing conditions. The convertibility feature of the Convertible Loan will not become applicable prior to April 1, 2020 and is subject to the approval of the TSX as described below under "*Regulatory Matters*".

The Company and Pala intend to seek additional investors (which may include insiders of the Company) to which Pala may syndicate a portion of the Convertible Loan up to a maximum amount of \$12 million.

Backstop Commitment

Pala, the Company and Triple Flag Bermuda have entered into a backstop agreement (the "Backstop") providing for up to \$20,000,000 which will be available for the Company to call on capital from Pala when required until December 31, 2021 if it is unable to raise capital from other sources. If funds are called by the Company under the Backstop, the obligations of the Company under the Backstop will be satisfied through the issuance of Common Shares, which Common Shares will be issued at a price to be agreed by the Company and Pala within the applicable pricing rules of the TSX, but if a price cannot be agreed will be based on the market price (as defined in the policies of the TSX) at the relevant time less a discount of 20%. If the Backstop is called after December 31, 2020, and the obligations under any such call would require disinterested shareholder approval (which will exclude Pala and any other insiders that may participate in the Backstop) under the policies of the TSX, the Company must obtain such approval as a condition to completion of the call under the Backstop. The Company may also seek to obtain, any time after the date hereof, approval of disinterested shareholders to issue Common Shares pursuant to the Backstop after December 31, 2020. In the event such disinterested shareholder approval is not obtained, any amounts called under the Backstop for which such approval was sought will be in the form of subordinated unsecured debt which will have substantially the same terms as the Credit Facility, but without the related fees, with a 3 year maturity date and prepayable at any time. For certainty, any calls made by the Company under the Backstop prior to December 31, 2020 will not be subject the shareholder approval requirements of the TSX. Notwithstanding the foregoing, Pala may elect to fund its obligations under the Backstop through the issuance by the Company of convertible debt, which convertible debt will have a 3 year term to maturity, a conversion price of a 5% premium to the market price of the Common Shares (as defined by the policies of the TSX) at the time of issuance, no fees payable other an interest rate of 12% and shall be prepayable by the Company at any time. The Backstop will have a fee payable to Pala upon entering into the Backstop in an aggregate amount of \$800,000, which will be payable through the issuance of an aggregate of 7,500,000 Common Shares (the "Backstop Fee Shares"), reflecting a price per Common Share of C\$0.1575 being equal to the Current Market Price.

The closing of the Backstop is subject to the closing of the Triple Flag Transactions and certain other customary closing conditions.

The Backstop is intended to provide the Company with further funding support, including relating to any fluctuations in commodity prices and/or operational challenges that may be faced by Nevada Copper in connection with the ramp-up to commercial production of the Pumpkin Hollow Underground Mine.

Indemnity Shares

In connection with the provision by Pala of certain surety bonds provided to third party contractors to support the ramp-up process relating to the Pumpkin Hollow Underground Mine, Pala is owed an aggregate of \$2.1 million relating to fees for providing such surety bonds. Such fees will be satisfied through the issuance of an aggregate of 18,900,000 Common Shares (the "Indemnity Fee Shares") on the Closing Date, reflecting a price per Common Share of C\$0.1575 being equal to the Current Market Price.

Potential Maximum Dilution in respect of the Refinancing Transactions

Pala currently owns 274,379,447 Common Shares being approximately 36.01% of the issued and outstanding Common Shares. Assuming the issuance of the Fee Shares in respect of the repayment of the Credit Facility, the issuance of the Backstop Fee Shares and the issuance of the Indemnity Fee Shares, the number of Common Shares that may be issued as a result of the Refinancing Transactions to Pala and in total (including the Common Shares issuable upon the due exercise of the Triple Flag Warrants and assuming exercise in full of the Backstop at the Common Share prices set forth below and exercise of the Convertible Loan at a Conversion Price of C\$0.12, in each case based on the exchange rates noted below)

	Total Number of Common Shares issued to Pala (In Millions)	% of Common Shares owned by Pala relative to Common Shares currently outstanding	% of Common Shares owned by Pala relative to Common Shares outstanding after Refinancing Transactions	Total Number of Common Shares issued pursuant to the Refinancing Transactions (In Millions)	% of Common Shares issued pursuant to Refinancing Transactions relative to Common Shares currently outstanding
C\$0.10 / Common Share	\$1=C\$0.68 719.5	94.4%	66.4%	734.5	96.4%
Backstop / C\$0.12	\$1=C\$0.73 670.2	88.0%	65.3%	685.2	89.9%
Conversion Price	\$1=C\$0.76 643.8	84.5%	64.6%	658.8	86.5%
C\$0.20 / Common Share	\$1=C\$0.68 572.4	75.1%	62.8%	587.4	77.1%
Backstop / C\$0.12	\$1=C\$0.73 533.2	70.0%	61.6%	548.2	72.0%
Conversion Price	\$1=C\$0.76 512.2	67.2%	61.0%	527.2	69.2%

Notes:

(1) If the Canadian dollar weakens below \$1.00 = C\$0.68 then the number of Common Shares issuable to Pala will proportionately increase.

(2) In the event the make-whole payment referred to above becomes payable after year 1 under the Convertible Loan, at Pala's option, this payment would be made through the issuance of 156.8 million Common Shares to Pala (the "Make-whole Shares"), assuming an exchange rate of \$1.00 = C\$0.68, a Conversion Price of C\$0.12 and a Backstop price of C\$0.10. With the addition of the Make-whole Shares, Pala would be issued a total of 954 million Common Shares in connection with the Refinancing Transactions, representing 125.3% of the currently outstanding Common Shares.

Corporate Governance

The Board of Directors of the Company (the "Board") formed a special committee consisting of members of the Board who are independent of Pala and management (the "Special Committee"), and who have no direct or indirect interest in any of the transactions contemplated above, to consider the terms of the Convertible Loan, the Backstop and the other transactions described above involving Pala (the "Pala Transactions"). The Special Committee has met regularly since its formation separately from the full Board. After careful consideration, the Special Committee recommended that the Board approve the terms of the Pala Transactions.

Regulatory Matters

The Convertible Loan and the Backstop are subject to, among other things, approval of the TSX, including that they will be exempt from shareholder approval pursuant to the financial hardship exemption (other than the disinterested shareholder approval relating to the Backstop discussed above). The Convertible Loan and the Backstop will be related party transactions of the Company for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and are subject to the formal valuation and minority approval requirements thereof, unless an exemption is available. It is the intention of the Company to rely on the financial hardship exemption provided for in Sections 5.5(g) and 5.7(e) of MI 61-101.

Nevada Copper has applied to the TSX, pursuant to the provisions of Section 604(e) of the TSX Company Manual, for a "financial hardship" exemption from the requirements to obtain shareholder approval of the Convertible Loan and the Backstop on the basis that, absent the Refinancing Transactions, the Company is in serious financial difficulty due to the lack of available cash and funding resources, which will likely lead to defaults under the Company's working capital facility and senior credit facility. The Refinancing Transactions, including the Convertible Loan and the Backstop, are designed to improve the Company's financial situation. The application was approved by the Board, based upon the recommendation of the Special Committee and their determination that the transactions are reasonable for Nevada Copper in the circumstances. Under the policies of the TSX, the Refinancing Transactions would have required shareholder approval by the Company due to: (a) the Refinancing Transactions result in consideration being paid to insiders of the Company in an amount that is greater than 10% of the Company's current market capitalization when aggregated with other transactions with such insiders within the last six months; (b) the number of Common Shares issuable on a private placement basis in connection with the Refinancing Transactions (assuming full

conversion of the Convertible Loan) is in excess of 25% of the number Common Shares outstanding; and (c) the number of Common Shares issued to insiders (assuming full conversion of the Convertible Loan) is greater than 10% of the number of Common Shares outstanding. Subject to the approval of the TSX, no Common Shares will be issuable to Pala in connection with the Refinancing Transactions prior to April 1, 2020. The Refinancing Transactions will not materially affect control of the Company.

Nevada Copper expects that, as a consequence of its financial hardship application, the TSX will place Nevada Copper under remedial delisting review, which is normal practice when a listed issuer seeks to rely on this exemption. Although Nevada Copper believes that it will be in compliance with all continued listing requirements of the TSX upon the closing of the Refinancing Transactions, no assurance can be provided as to the outcome of such review or continued qualification for listing on the TSX. There can be no assurance that the TSX will accept the application for the use of the financial hardship exemption from the requirement to obtain shareholder approval described above.

Annual Filings

The Canadian Securities Administrators recently published blanket relief for market participants regarding the filing of certain continuous disclosure documents under applicable Canadian securities laws as a result of the COVID-19 outbreak. Nevada Copper intends to rely on such blanket relief in respect of the filing of its annual information form, annual financial statements for the year ended December 31, 2019 together with the related management's discussion and analysis and the CEO and CFO certifications required under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the "Disclosure Documents"). Nevada Copper confirms that its management and other insiders are subject to an insider trading black-out policy, noting that management and such insiders may participate in the New Financing as disclosed above. The Company anticipates filing such Disclosure Documents prior to April 30, 2020. The Company hereby confirms that other than the matters described herein in respect of the Refinancing Transactions and the operational matters disclosed in its March 18, 2020 press release, there are no additional material developments since the date of filing of the Company's financial statements for the three and nine month period ended September 30, 2019, other than the entering into of the Credit Facility and the replacement of the Company's previous contractor at its Pumpkin Hollow Underground Mine with Redpath USA Corporation, as previously disclosed.

Advisors

Torys LLP and Shearman & Sterling LLP acted as legal counsel to the Company. Stikeman Elliott LLP acted as legal counsel to Pala. Blake, Cassels & Graydon LLP acted as legal counsel to Triple Flag. Milbank LLP acted as legal counsel to KFW. White & Case LLP acted as legal counsel for Concord. Scotia Capital Inc. acted as financial advisor to the Company.

About Nevada Copper

Nevada Copper (TSX: NCU) is a copper producer and owner of the Pumpkin Hollow copper project. Located in Nevada, USA, Pumpkin Hollow has substantial reserves and resources including copper, gold and silver. Its two fully permitted projects include the high-grade underground mine and processing facility, which is now in production, and a large-scale open pit project, which is advancing towards feasibility status.

Additional Information

For further information please visit the Nevada Copper corporate website (www.nevadacopper.com).

[Nevada Copper Corp.](#)

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Cautionary Language

This news release includes certain statements and information that constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical facts are forward-looking statements. Such forward-looking statements and forward-looking information specifically include, but are not limited to, statements that relate to: planned completion of the Refinancing Transactions, including the Triple Flag Transactions, the repayment of the Credit Facility with Pala, the Company's "financial hardship" exemption application and disinterested shareholder approval relating to the Backstop. There can be no assurance that the Refinancing Transactions will close.

Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "potential", "is expected", "anticipated", "is targeted", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements or information are subject to known or unknown risks, uncertainties and other factors which may cause the actual results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Forward-looking statements or information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks and uncertainties relating to: failure to complete the Refinancing Transactions; the state of financial markets; regulatory approvals; the impact of COVID-19 on the business and operations of the Company; history of losses; requirements for additional capital; dilution; adverse events relating to construction, development and ramp-up; ground conditions; cost overruns relating to development, completion and ramp-up of the Underground Project; loss of material properties; interest rates increase; global economy; no history of production; future metals price fluctuations and the continuation of the current low copper price environment; speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; labor disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade of mineralization or recovery rates may differ from what is indicated and the difference may be material; legal and regulatory proceedings and community actions; the outcome of the litigation with the Company's prior contractor; accidents; title matters; regulatory restrictions; increased costs and physical risks relating to climate change, including extreme weather events, and new or revised regulations relating to climate change; permitting and licensing; volatility of the market price of the Common Shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; other risks of the mining industry as well as those factors discussed in the section entitled "Risk Factors" in the Company's Annual Information Form dated March 29, 2019. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information.

The Company provides 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, readers should not place undue reliance on forward-looking statements.

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