

Amended Settlement Terms for Coringa Acquisition

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For immediate release

9 April 2020

[Serabi Gold Plc](#)

(Serabi; or the Company;) Amended Settlement Terms for Coringa Acquisition

[Serabi Gold Plc](#) (AIM:SRB, TSX:SBI), the Brazilian-focused gold mining and development company, announces that has reached an agreement with [Equinox Gold Corp.](#) (Equinox;) to extend the payment period for the final purchase instalment for the purchase of the Coringa gold project.

The revised terms agreement with Equinox extends the final date for the completion of the final US\$12 million payment owed to Equinox for the acquisition of the Coringa Gold project (the Coringa Acquisition Payment;) until such time as there are no international travel restrictions imposed by the Brazilian authorities and also no travel restrictions within or into the State of Para, Brazil, (the Travel Restriction Condition;) where the Company's Palito Complex gold production operations and the Coringa gold project are located (the Deferral Period;). Under the terms of the extension the Company will start to make instalment payments in respect the Coringa Acquisition Payment of US\$500,000 per month payable on each of 1 May 2020, 1 June 2020 and 1 July 2020 which will increase to US\$1 million per month thereafter until such time as the Travel Restriction Condition is satisfied. The balance outstanding of the Coringa Acquisition Payment is expected to be settled within six weeks of the Travel Restriction Condition being satisfied.

The Company is also pleased to advise that it is in advanced discussions with Greenstone II LP (Greenstone;) to amend the Loan Note subscription deed to allow for partial subscriptions in respect of US\$12 million of Convertible Loan Notes (the Loan Notes;) in individual amounts of US\$500,000. The partial subscriptions would provide funds to the Company to assist Serabi in paying the monthly instalments to Equinox during the Deferral Period, until such time as the balance of the Coringa Acquisition Payment can be satisfied in full. Greenstone and the Company expect that shortly after the Travel Restriction Conditions have been satisfied they would then be able to satisfy all the other conditions required to close the issue and subscription for the remaining portion of the Loan Notes and allow the Company to settle any remaining balance of the Coringa Acquisition Payment in accordance with the terms of the revised arrangements with Equinox.

As advised in the announcement issued on 26 March 2020, in recognition of a number of uncertainties created by the Coronavirus (CV-19;) pandemic, the Company and Greenstone had agreed to delay the completion of a subscription by Greenstone for the Loan Notes to allow both parties more time to satisfy the conditions required for the closing of this transaction. The net proceeds from the issue of the Loan Notes are to be used to make the Coringa Acquisition Payment which was originally due to be settled on or before 31 March 2020.

The Company will continue to repay the existing secured loan that it has with Sprott Resource Lending Partnership (Sprott;) in accordance with the terms of the agreement with Sprott (the Credit Agreement;). As at today's date the principal due to Sprott is US\$3.5 million which is to be paid in monthly instalments with the final payment to be made on 30 June 2020.

Mike Hodgson, CEO of Serabi, commented:

“We are extremely grateful for the continued support of Greenstone and the understanding and flexibility shown by Equinox. It goes without saying we are living testing times, but we are delighted that we have identified a very workable solution for the Company to complete the acquisition of Coringa which is key to the growth plans of Serabi.

“Despite the problems CV-19 is bringing to the world, we have enjoyed an excellent end to the quarter and, subject to final reconciliation, I expect the production for the quarter to be slightly above 9,000, not quite as high as budgeted but considering we lost 1 of our 3 ball mills in February for 15 days, an excellent result and reflecting a strong performance in March 2020. The CV-19 virus has required us introduce multiple measures to protect the health and welfare of our employees, contractors and communities which remain paramount. Nevertheless, with these now being put in place, we have experienced minimal short-term impact on the operation to date. Much of this is due to the excellent attitude and response from our employees and I am pleased that those who are currently on site have agreed to extend their rosters in order to eliminate crew changeovers in the immediate term, thereby minimising the potential for the virus to be introduced to the mine site.

“We are hoping to introduce a CV-19 testing regime during April which will, in time, allow for crew changeovers to be re-introduced and keep the mine site virus-free. At the current time, various individual states within Brazil have implemented measures restricting movement of people in an effort to contain the spread of the virus, but at present, these have not affected us.”

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014. The person who arranged the release of this statement on behalf of the Company was Clive Line, Director.

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Copies of this announcement are available from the Company's website at www.serabigold.com.

Neither the Toronto Stock Exchange, nor any other securities regulatory authority, has approved or disapproved of the contents of this announcement.

Qualified Persons Statement

The scientific and technical information contained within this announcement has been reviewed and approved by Michael Hodgson, a Director of the Company. Mr Hodgson is an Economic Geologist by training with over 26 years' experience in the mining industry. He holds a BSc (Hons) Geology, University of London, a MSc Mining Geology, University of Leicester and is a Fellow of the Institute of Materials, Minerals and Mining and a Chartered Engineer of the Engineering Council of UK, recognising him as both a Qualified Person for the purposes of Canadian National Instrument 43-101 and by the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009.

Forward Looking Statements

Certain statements in this announcement are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although any forward looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements.

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