

Diamcor Mining Inc. Announces Convertible Loan Financing

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KELOWNA, Sept. 29, 2020 - [Diamcor Mining Inc.](#) (TSXV:DMI) / (OTC:DMIFF), (the "Company") announces that the Company intends to complete a convertible loan financing (the "Financing") of up to CDN\$3,500,000. The Financing will consist of unsecured convertible promissory notes (the "Notes") having a term of two (2) years from the closing date and bearing interest at the rate of 10% per annum. During the first year, interest will accrue and be payable at the one year anniversary of the Note. In the second year, interest will accrue and be payable semi-annually. No principal payments will be required until maturity. The principal amount of the Notes will be convertible at the election of the noteholder into Common Shares of the Company at the rate of CDN\$0.07 per share in the first year and at the rate of CDN\$0.10 per share in the second year. As provided in Policy 5.2 of the TSX Venture Exchange Corporate Finance Policy Manual, interest will be convertible at the election of the noteholder into Common Shares of the Company at the Market Price as at the time of conversion of the interest.

In addition, subject to the exceptions noted below, the Company will issue non-transferable share purchase warrants to eligible participating investors, with each share purchase warrant entitling the holder thereof to purchase one (1) Common Share of the Company at a price of CDN\$0.15 for a period of two (2) years from the date of issuance (the "Warrants"). The number of Warrants issuable to the eligible participating investors will be equal to 20% of the number of Common Shares into which the principal amount of the investor's Note is convertible in the first year (Principal Amount / CDN\$0.07 x 0.2).

The Company anticipates that an aggregate of approximately CDN\$900,000.00 of principal and accrued interest under the one year term loans which matured on August 26, 2020 (the "Existing Debt") will be tendered into the Financing and exchanged for Notes and Warrants, to the extent permitted in accordance with the policies of the TSX Venture Exchange. In accordance with such policies, no Warrants may be issued in respect of any amount of Existing Debt held by Non-Arm's Length Parties (as defined in the TSX Venture Exchange Corporate Finance Policy Manual) that is tendered into the Financing.

The proceeds from the Financing will be used for general corporate purposes, the resumption of operations, and the continued advancement of the work programmes previously underway prior to the COVID-19 related shut down at the Company's Krone-Endora at Venetia Project. As first announced in the Company's news release dated March 30, 2020, the Krone-Endora at Venetia Project was subject to a national lockdown directive issued by the Government of South Africa effective on March 26, 2020, which was originally announced as being intended to be for a duration of 21 days. This initial directive was subsequently extended several times and modified to reduce certain levels of restrictions under the original directive as deemed appropriate by the Government of South Africa in their efforts to manage the ongoing risks associated with COVID-19. On September 16, 2020 the Government of South Africa announced it had made the decision to move the directive to LEVEL 1 on or before October 1, 2020, which while maintaining certain restrictions, is the least restrictive level to date. The move to LEVEL 1 restrictions is encouraging as it provides for the suspension of the previous restrictions preventing the resumption of operations at the Krone-Endora at Venetia Project. As is the case in most countries at present, the decision to increase, maintain or reduce COVID-19 related public health restrictions is determined by the applicable governmental authorities and, accordingly, the decision to maintain a LEVEL 1 status and/or increase or reduce any restrictions affecting the Krone-Endora at Venetia Project operations will continue to be determined by the Government of South Africa.

The Financing transaction is subject to regulatory approval of the TSX Venture Exchange along with completion of all definitive documentation and filings as required. All securities issued pursuant to the above will be subject to a hold period of four months plus one day following the closing.

About Diamcor Mining Inc.

[Diamcor Mining Inc.](#) is a fully reporting publicly traded junior diamond mining company which is listed on the

TSX Venture Exchange under the symbol V.DMI, and on the OTC QB International under the symbol DMIFF. The Company has a well-established operational and production history in South Africa and extensive prior experience supplying rough diamonds to the world market.

About the Tiffany & Co. Alliance

The Company has established a long-term strategic alliance and first right of refusal with Tiffany & Co. Canada, a subsidiary of world famous New York based Tiffany & Co., to purchase up to 100% of the future production of rough diamonds from the Krone-Endora at Venetia Project at then current prices to be determined by the parties on an ongoing basis. In conjunction with this first right of refusal, Tiffany & Co. Canada also provided the Company with financing to advance the Project. Tiffany & Co. is a publicly traded company which is listed on the New York Stock Exchange under the symbol TIF. For additional information on Tiffany & Co., please visit their website at www.tiffany.com.

About Krone-Endora at Venetia

In February 2011, Diamcor acquired the Krone-Endora at Venetia Project from De Beers Consolidated Mines Limited, consisting of the prospecting rights over the farms Krone 104 and Endora 66, which represent a combined surface area of approximately 5,888 hectares directly adjacent to De Beers' flagship Venetia Diamond Mine in South Africa. On September 11, 2014, the Company announced that the South African Department of Mineral Resources had granted a Mining Right for the Krone-Endora at Venetia Project encompassing 657.71 hectares of the Project's total area of 5,888 hectares. The Company has also submitted an application for a mining right over the remaining areas of the Project. The deposits which occur on the properties of Krone and Endora have been identified as a higher-grade "Alluvial" basal deposit which is covered by a lower-grade upper "Eluvial" deposit. The deposits are proposed to be the result of the direct-shift (in respect to the "Eluvial" deposit) and erosion (in respect to the "Alluvial" deposit) of material from the higher grounds of the adjacent Venetia Kimberlite areas. The deposits on Krone-Endora occur in two layers with a maximum total depth of approximately 15.0 metres from surface to bedrock, allowing for a very low-cost mining operation to be employed with the potential for near-term diamond production from a known high-quality source. Krone-Endora also benefits from the significant development of infrastructure and services already in place due to its location directly adjacent to the Venetia Mine.

Qualified Person Statement:

Mr. James P. Hawkins (B.Sc., P.Geo.), is Manager of Exploration & Special Projects for Diamcor Mining Inc., and the Qualified Person in accordance with National Instrument 43-101 responsible for overseeing the execution of Diamcor's exploration programmes and a Member of the Association of Professional Engineers and Geoscientists of Alberta ("APEGA"). Mr. Hawkins has reviewed this press release and approved of its contents.

On behalf of the Board of Directors

Mr. Dean H. Taylor

President & CEO

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This press release contains certain forward-looking statements. While these forward-looking statements

represent our best current judgement, they are subject to a variety of risks and uncertainties that are beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Further, the Company expressly disclaims any obligation to update any forward looking statements. Accordingly, readers should not place undue reliance on forward-looking statements.

WE SEEK SAFE HARBOUR

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