

Otso Gold Corp. Obtains Creditor Protection Under the Companies' Creditors Arrangement Act

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TORONTO, Dec. 3, 2021 - [Otso Gold Corp.](#) ("Otso" or the "Company"), (TSXV:OTSO) announced today it has obtained an order from the Supreme Court of British Columbia (the "Court") granting protection from creditors under the Companies' Creditors Arrangement Act (Canada) ("CCAA") to enable the Company to propose a plan of arrangement to its creditors.

After careful consideration of all available alternatives following thorough consultation with its legal and financial advisors, the Board of Directors of the Company determined that it was in the best interests of the Company and all of its stakeholders to file for an application for creditor protection under the CCAA.

The initial Court order provides for a stay of creditor claims with a view to provide the necessary protection to continue the Company's ongoing review process following the previously announced appointment of Alvarez & Marsal Nordic AB to provide Chief Restructuring Officer ("CRO") and other services to the Company.

The CRO will remain responsible for the day-to-day operations of the Company and that the Board of Directors will remain intact. The Company is committed to completing the restructuring process quickly and efficiently.

The Court has appointed Deloitte LLP to serve as the Monitor in the CCAA proceedings to oversee the operations of the Company and report to the Court during the restructuring. The Company hopes to exit CCAA protection well-positioned to rebuild its stakeholders' trust and continue efforts to return the Otso Gold Mine to full commercial production.

Trading in the common shares of the Company on the TSX Venture Exchange (the "TSXV") has been halted and it is anticipated that the trading thereof will continue to be halted until a review is undertaken by the TSXV regarding the suitability of the Company for listing on the TSXV. Should the common shares be delisted following such review by the TSXV, the Company may apply for listing of the common shares on the NEX Board of the TSXV or relisting on the TSXV upon exiting the CCAA process, as the case may be. In addition, the Company anticipates that, as a result of the Company's filing for protection under the CCAA and its potential delisting by the TSXV, provincial securities regulators in Canada may issue a cease trade order to prevent any trading in the common shares in Canada.

A comeback hearing in respect of the relief granted pursuant to the Initial Order will be scheduled within ten days (the "Comeback Hearing"). Interested parties that wish to bring a motion at the Comeback Hearing are required to provide notice to the affected parties prior to the Comeback Hearing pursuant to the requirements set forth in the Initial Order. A copy of the Initial Order and other information will be available on the Monitor's website at www.insolvencies.deloitte.ca/en-ca/otsogoldcorp.

Further news releases will be provided on an ongoing basis throughout the CCAA process as required by law or otherwise as may be determined necessary by the Company or the Court.

The Company's operating subsidiary Otso Gold Oy, a Finnish limited liability company, has made an equivalent filing for the commencement of restructuring proceedings under the Finnish Restructuring Act in Finland. Otso Gold Oy has requested interim protection from its creditors for the duration of the court review of its application. The stay, which is effected upon the commencement of restructuring proceedings but can be effected on an interim basis already upon filing for restructuring, prohibits the repayment of existing debts as well as the collection and enforcement, whether by legal means or otherwise, of such debts. The enforcement of any securities provided by the company is also prohibited. The court review of Otso Gold Oy's application is expected to take several weeks.

Following the abrupt departure of Lionsbridge Pty Ltd on 30 November 2021 the Company continues to investigate certain management practices, accounting issues and transactions, including for compliance with the Company's internal policies, legal and ethical standards. The Company will update the market on the results of this investigation, including with respect to any further significant matters.

Forward-looking Statements

This press release contains forward-looking statements regarding the Company based on current expectations and assumptions of management, which involve known and unknown risks and uncertainties associated with our business and the economic environment in which the business operates. All such statements are forward-looking statements under applicable Canadian securities legislation, and any other applicable law or regulation of any other jurisdiction. Any statements contained herein that are not statements of historical facts, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives for future operations, may be deemed to be forward-looking statements. Specific forward-looking statements in this press release include, but are not limited to: statements with respect to: (i) the outcome of the CCAA proceedings and/or any related restructuring proceedings and the timing of any such proceedings, (ii) the ability of the Corporation to secure additional financing as part of the CCAA process or otherwise, and (iii) the halt of trading of the common shares and review of the TSXV regarding the suitability of the Corporation for listing on the TSXV and any outcome of such review. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. You should not rely on forward-looking statements as predictions of future events. We caution our readers of this press release not to place undue reliance on our forward-looking statements as a number of factors could cause actual results or conditions to differ materially from current expectations. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements. Please refer to the risks set forth in the Company's continuous disclosure documents that can be found on SEDAR (www.sedar.com) under the Company's issuer profile. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this press release. In addition, there is no assurance that there will be any residual value for shareholders under the CCAA process, nor can be no assurance that the CCAA proceedings will result in the maximization of the return in respect of the Corporation's assets and those of its subsidiaries. The Company does not intend, and disclaims any obligation, except as required by law, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

About the Company

Otso Gold Corp. wholly owns the Otso Gold Mine near the Town of Raahe in Finland. The Otso Gold Mine is developed, fully permitted, has all infrastructure in place, two open pits and is currently in the ramp-up towards commercial production at name plate capacity of 2 million tonnes per annum.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE [Otso Gold Corp.](#)

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