

Harte Gold Announces Execution of Subscription Agreement and Loan Agreement and Makes Application Under Companies' Creditors Arrangement Act

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TORONTO, Dec. 7, 2021 - [Harte Gold Corp.](#) ("Harte Gold" or the "Company") (TSX: HRT) (OTC: HRTFF) (Frankfurt: H4O) announces that it will file today an application to the Ontario Superior Court of Justice (Commercial List) (the "Court") for an Initial Order under the Companies' Creditors Arrangement Act (the "CCAA").

In conjunction with the commencement of the CCAA Proceedings, Harte Gold has entered into a subscription agreement (the "Subscription Agreement") with 1000025833 Ontario Inc. (the "Investor"), a wholly-owned indirect subsidiary of [Silver Lake Resources Ltd.](#) ("Silver Lake") (ASX: SLR), pursuant to which the Investor, if it is the successful bidder at the conclusion of the SISP (defined below) and is approved by the Court, would become the sole shareholder of Company in a transaction which provides for the continuation of its business and operations as a going concern.

Harte Gold and the Investor have also entered into a loan agreement pursuant to which the Investor has agreed, subject to the terms and conditions contained therein, including Court approval, to loan up to \$10.8 million (the "DIP Financing Agreement") to the Company, to fund operations and the CCAA Proceedings. The DIP Financing Agreement, if approved by the Court, will provide Harte Gold with the liquidity required to continue the operations of Sugar Zone Mine until closing of a transaction. Together, the Subscription Agreement and the DIP Financing Agreement demonstrate Silver Lake's strong support of the Sugar Zone Mine and the restructuring process.

The Investor is the lender to Harte Gold under the Amended and Restated Credit Agreement made as of August 28, 2020 with BNP Paribas (as amended to the date hereof, the "Credit Agreement"). The Subscription Agreement is a "credit bid" which provides for (1) payment in full of all claims ranking in priority to, or pari passu with, the amounts owing under the Credit Agreement; (2) payment in full of the properly perfected and secured obligations owing to AHG (Jersey) Limited under the Facility Agreement dated August 28, 2020 (the "Appian Facility"); and (3) the assumption of up to \$7.5 million in trade accounts payable. The Subscription Agreement provides no recovery for other stakeholders ranking subordinate to the Appian Facility, including holders of existing equity interests in the Company.

If the Court grants the Initial Order, Harte Gold will seek the approval of a sale and investment solicitation process ("SISP") and authority to use the Subscription Agreement as a "stalking horse" in the SISP in order to provide interested parties with the opportunity to submit superior proposals and to enable Harte Gold to determine the highest and best available transaction for the Company and its stakeholders. Unless the successful bid at the conclusion of the SISP provides for significantly higher value than the Subscription Agreement, there will be no recovery for holders of existing equity interests in the Company.

The execution of the Subscription Agreement and the DIP Financing Agreement is the culmination of the Strategic Review Process undertaken by the Company over several months. After careful consideration of all available alternatives and stakeholder interests, the board of directors of Harte Gold determined that it was in the best interests of the Company and its stakeholders to execute the Subscription Agreement and the DIP Financing Agreement and to commence the CCAA proceedings and undertake the SISP.

Trading in Securities of Harte Gold

Trading in Harte Gold's common shares on the Toronto Stock Exchange ("TSX") is expected to be halted. The Company currently anticipates that its common shares will be delisted in due course.

Additional Information

A further update will be provided following the hearing of the CCAA application by the Court.

About Harte Gold Corp.

Harte Gold holds a 100% interest in the Sugar Zone mine located in White River, Canada. The Sugar Zone Mine entered commercial production in 2019. The Company has further potential through exploration at the Sugar Zone Property, which encompasses 81,287 hectares covering a significant greenstone belt. Harte

Gold trades on the TSX under the symbol "HRT", on the OTC under the symbol "HRTFF" and on the Frankfurt Exchange under the symbol "H4O".

Cautionary note regarding forward-looking information:

This news release includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Specific forward-looking statements in this press release include, but are not limited to, the Company filing an application to the Court for an Initial Order under the CCAA; the Investor, if it is the successful bidder at the conclusion of the SISP and is approved by the Court, becoming the sole shareholder of Company in a transaction which provides for the continuation of its business and operations as a going concern; the Investor providing the DIP Financing to the Company to fund operations and the CCAA Proceedings; the DIP Financing Agreement, if approved by the Court, providing Harte Gold with the liquidity required to continue the operations of Sugar Zone Mine until closing of a transaction; Harte Gold seeking the approval of a SISP and authority to use the Subscription Agreement as a "stalking horse" in the SISP; there being no recovery for holders of existing equity interests in the Company unless the successful bid at the conclusion of the SISP provides for significantly higher value than the Subscription Agreement; trading in Harte Gold's common shares on the TSX being expected to be halted; the Company currently anticipating that its common shares will be delisted in due course; and the Company having further potential through exploration at the Sugar Zone Property. Forward-looking statements are necessarily based upon a number of estimates and assumptions including material estimates and assumptions related to the factors set forth below that, while considered reasonable by the Company as at the date of this press release in light of management's experience and perception of current conditions and expected developments, are inherently subject to significant business, economic, and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements, and undue reliance should not be placed on such statements and information. Such risks and uncertainties include, but are not limited to, the Strategic Review Process failing to result in a transaction that provides value to the Company's stakeholders; the Company being unable to secure sufficient financing to complete the Strategic Review Process; the Company being unable to continue as a going concern; the risk that the Company will not have adequate sources of funding to finance the Company's operations in the near future; the risk that the Company will not be able to obtain sufficient financing for working capital, capital expenditures, debt service requirements, and general corporate or other purposes; the risk that the Company has insufficient assets to meet its liabilities or satisfy its creditors; the Company being able to attract and retain qualified candidates to join the Company's management team and board of directors, risks associated with the mining industry, including operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, agreements, consents or authorizations required for its operations and activities; and health, safety and environmental risks, the risk of commodity price and foreign exchange rate fluctuations, the ability of Harte Gold to fund the capital and operating expenses necessary to achieve the business objectives of Harte Gold, the uncertainty associated with commercial negotiations and negotiating with contractors and other parties and risks associated with international business activities, as well as other risks and uncertainties which are more fully described in the Company's Annual Information Form dated March 30, 2021, and in other filings of the Company with securities and regulatory authorities which are available on SEDAR at www.sedar.com. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Readers are cautioned that the foregoing list of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement. The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

Contact:
Please visit www.hartegold.com or contact: Frazer Bouchier, President and Chief Executive Officer, E-mail: fbouchier@hartegold.com

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