

Harte Gold Announces Granting of Initial Order under Companies' Creditors Arrangement Act and Approval of DIP Financing Agreement

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

Pursuant to the Initial Order, the Company has obtained protection from its creditors under the CCAA for an initial period ending on December 16, 2021 (the "Stay Period"), the maximum permitted under the CCAA. The Court also approved an initial advance of \$400,000 to the Company under the DIP Financing Agreement, as defined below, and has appointed FTI Consulting Canada Inc. as Monitor (the "Monitor") of the Company. While under CCAA protection, management of the Company will remain responsible for the day-to-day operation of the Company under the general oversight of the Monitor and supervision of the Court.

As previously announced, 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 subsidiary of [Silver Lake Resources Ltd.](#) ("Silver Lake") (ASX: SLR), pursuant to which the Investor, if it is the successful bidder in the conclusion of the SISP (defined below) and is approved by the Court, would become the sole shareholder of the Company. This transaction which provides for the continuation of its business and operations as a going concern.

Also as previously announced, 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 million (the "DIP Financing Agreement") to the Company, to fund operations and the CCAA Proceedings. If approved by the Court, the DIP Financing Agreement will provide Harte Gold with the liquidity required to continue the operations of Sugar Zone Mine until the 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 Credit 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.

At a hearing scheduled for December 16, 2021, Harte Gold will seek the Court's approval of the DIP Financing Agreement, the 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 consummate 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. At the hearing on December 16, 2021, Harte Gold will also seek an extension of the Stay Period to March 31, 2022.

Earlier today, the Toronto Stock Exchange ("TSX") suspended trading of Harte Gold's common shares and has put the Company under delisting review under its expedited review process. The TSX has advised the Company that a meeting has been scheduled for December 15, 2021 to consider whether or not to delist the securities of the Company.

Additional Information

Further updates will be provided as appropriate. A copy of the Initial Order and other information regarding the CCAA Proceedings

will be available on the Monitor's website at <http://cfcanada.fticonsulting.com/harte>. Parties interested in participating in should contact the Monitor at hartegold@fticonsulting.com.

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 "HART" and 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 may 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", "contingency", "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 included in this press release include, but are not limited to, the Stay Period expiring on December 16, 2021; 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, subject to Court approval, providing the Company with the DIP Financing to fund operations and the CCAA Proceedings; the DIP Financing providing the Company with the liquidity required to continue the operations of Sugar Zone Mine until closing of a transaction; the Company seeking the Court's approval of the SISP and authority to use the Subscription Agreement as a "stalking horse" in the SISP at the hearing on December 16, 2021; there being no recovery for holders of existing equity interests in the Company unless the successful bidder at the conclusion of the SISP provides for significantly higher value than the Subscription Agreement; the Company seeking an extension of the Stay Period to March 31, 2022 at the hearing on December 16, 2021; further updates being provided as they become appropriate; a TSX meeting on December 15, 2021 to consider whether or not to delist the securities of the Company; 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 listed below that, while considered reasonable by the Company as at the date of this press release in light of management's knowledge and perception of current conditions and expected developments, are inherently subject to significant business, economic, market, 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. 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 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 unable to attract or 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, development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections related to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, approvals, agreements, consents or authorizations required for its operations and activities; and health, safety and environmental risks, including the risk of commodity price and foreign exchange rate fluctuations, the ability of Harte Gold to fund the capital and operating costs necessary to achieve the business objectives of Harte Gold, the uncertainty associated with commercial negotiations and the Company's negotiations 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 documents of the Company with securities and regulatory authorities which are available on SEDAR at www.sedar.com. Due to the nature of the 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.

SOURCE Harte Gold Corp.

Contact

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