

Gsilver Signs Term Sheet for US\$7.5M Silver/Gold Pre-Payment Facility

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Expands Relationship with OCIM to Enhance Financial Liquidity

VANCOUVER, March 24, 2022 - [Guanajuato Silver Company Ltd.](#) (the "Company" or "GSilver") (TSXV:GSVR)(OTCQX:GSVRF) is pleased to announce that it has signed an indicative term sheet with a Swiss based precious metals trading firm: OCIM Precious Metals S.A. ("OCIM"), to provide US\$7.5m in non-dilutive financing in the form of a silver and gold pre-payment facility to strengthen its balance sheet during the ramp-up phase of the Company's El Cubo mine and mill complex located approximately 11 kilometers east of the city of Guanajuato in central Mexico.

James Anderson, Chairman and CEO stated: "We are very pleased to be expanding our relationship with OCIM at this time of strong silver and gold prices, which decreases the number of ounces of silver and gold needed to repay the facility. We have a very good working relationship with the team at OCIM and we look forward to working with them in the future with regards to potentially providing additional capital for GSilver's future growth plans."

OCIM Pre-Payment Details:

The pre-payment facility is for a term of 18 months, secured against GSilver's El Cubo assets, and repayable over a period of 12 months (following a six-month grace period) by GSilver delivering a fixed number of ounces of silver and gold monthly. The number of ounces to be delivered will be calculated at a fixed discount to the prevailing LBMA spot metals' prices on the day of the drawdown of the facility. This financing is subject to various conditions of OCIM including completion of satisfactory due diligence, execution of binding pre-payment documentation and TSXV acceptance, which both parties anticipate finalizing in April 2022.

The Company will use a portion of the facility to repay a majority of its current outstanding debt with OCIM, drawn on July 27, 2021. To date, the Company has repaid 2 months of silver and gold deliveries due under its current facility with OCIM, and it will use partial proceeds of this new pre-payment facility to repay the next 7 months' deliveries, leaving only the final three months' deliveries under the existing facility due November 30, 2022, December 30, 2022 and January 31, 2023 totaling 57,228 ounces of silver and 535.2 ounces of gold to be repaid.

As of today's date, the Company has approximately US\$7.2M in cash on hand; the Company anticipates having approximately US\$9.0M in cash on hand after the drawn down of this second OCIM facility in early April 2022. Monthly deliveries of silver and gold ounces to OCIM under the new facility are anticipated to commence in October 2022.

About Guanajuato Silver Company Ltd.:

GSilver is a precious metals producer engaged in reactivating past producing silver and gold mines near the city of Guanajuato, Mexico. The Company is currently producing silver and gold from its 100% owned El Cubo and El Pinguico projects, while simultaneously advancing the El Pinguico Mine to restart. Both projects are located within 11km of the city of Guanajuato, which has an established 480-year mining history.

ON BEHALF OF THE BOARD OF DIRECTORS

"James Anderson"
Chairman and CEO

For further information regarding [Guanajuato Silver Company Ltd.](#), please contact:
JJ Jennex, Gerente de Comunicaciones
T: 604 723 1433
E: jjj@GSilver.com
Gsilver.com

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Forward-Looking Statements

This news release contains certain forward-looking statements and information, which relate to future events or future performance including, but not limited to, the total silver and gold ounces to be delivered to OCIM under the new pre-payment facility, the net proceeds available to GSilver under the new facility after repayment to OCIM in cash of certain monthly deliveries of silver and gold under the current loan facility and the anticipated date for closing of the new pre-payment facility.

Such forward-looking statements and information reflect management's current beliefs and are based on information currently available to and assumptions made by the Company; which assumptions, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include: our mineral resource estimates at El Cubo and El Pinguico and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rock conforming to sampled results and metallurgical performance; available tonnage of mineralized material to be mined and processed; resource grades and recoveries; assumptions and discount rates being appropriately applied to production estimates; success of the Company's combined El Cubo / El Pinguico operation; the Company's ability to secure external sources of mineralized material for processing, prices for silver and gold remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital, decommissioning and reclamation estimates; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions; no unplanned delays or interruptions in scheduled construction and production; all necessary permits, licenses and regulatory approvals are received in a timely manner; and the ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

Readers are cautioned that such forward-looking statements and information are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to, market conditions (including political, economic and financial conditions), availability of financing, currency rate fluctuations, actual results of exploration, development and production activities, actual resource grades and recoveries of silver and gold, availability of third party mineralized material for processing, unanticipated geological or structural formations and characteristics, environmental risks, future prices of gold, silver and other metals, operating risks, accidents, labor issues, equipment or personnel delays, delays in obtaining governmental or regulatory approvals and permits, inadequate insurance, acts of terrorism, the commencement, continuation or escalation of any war, invasion or armed conflict, and other risks in the mining industry. There are no assurances that GSilver will be able to increase production at the El Cubo mill to process mineralized materials to produce silver and gold concentrate in the amounts, grades, recoveries, costs and timetable anticipated. In addition, GSilver's decision to process mineralized material from its estimated resources at El Cubo and above and underground stockpiles at El Pinguico through the El Cubo mill is not based on a feasibility study of mineral reserves demonstrating economic and technical viability and therefore is subject to increased uncertainty and risk of failure, both economically and technically. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability, are considered too speculative geologically to have the economic considerations applied to them, and may be materially affected by environmental, permitting, legal, title, socio-political, marketing, and other relevant issues. There are no assurances that the results of the Company's 2021 preliminary economic assessment and projected production of silver and gold will be realized. Further, the new pre-payment facility with OCIM is subject to, inter alia, completion of satisfactory due diligence by OCIM and formal documentation and there are no assurances that the facility will be completed on the terms currently contemplated or at all. There is also uncertainty about the continued spread of COVID-19 and variants of concern and the impact they will have on the Company's operations, supply chains, ability to access El Pinguico and/or El Cubo or procure equipment, contractors and other personnel on a timely basis or at all and economic activity in general. All the forward-looking statements made in this news release are qualified by these cautionary statements and those in our continuous

disclosure filings available on SEDAR at www.sedar.com including the Company's annual information form for its fiscal year ended December 31, 2020. Accordingly, readers should not place undue reliance on forward-looking statements and information. Such statements and information are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required by law.

SOURCE: [Guanajuato Silver Company Ltd.](#)

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