

# GSilver Arranges US\$5M Debt Facility

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VANCOUVER, December 8, 2022 - [Guanajuato Silver Company Ltd.](#) (the "Company" or "GSilver") (TSXV:GSVR)(AQUIS:GSVR)(OTCQX:GSVRF) is pleased to announce that it has signed a new concentrate and pre-payment credit facility with Ocean Partners (UK) Limited ("Ocean Partners"), a UK based metals offtake and trading firm, to provide a US\$5.0M revolving credit facility (the "New Facility") for operating and working capital purposes. The New Facility is in addition to the Company's existing US\$5.0M credit facility advanced by Ocean Partners in August 2022 (see GSilver's previous news release dated August 30, 2022 - "Guanajuato Silver Draws US\$5,000,000 Credit Facility").

Chairman & CEO, James Anderson said, "Ocean Partners has consistently demonstrated their resolute support for Guanajuato Silver and our vision to build the next mid-tier silver producer in Mexico. This debt facility will strengthen our balance sheet and provide us with additional flexibility as we continue to ramp up precious metals production at our four producing mines."

The New Facility will be revolving in nature, secured by a share and asset pledge over the Company's Mexican subsidiary, Minera Mexicana El Rosario S.A. de C.V. ("MMR"), and re-payable and re-drawable in 4-month intervals over a term of 24 months. Interest will be calculated at 12-month SOFR + 7.5%. A portion of the New Facility will be used to extinguish approximately US\$750,000 of existing debt, which represents the final amount owing to Ocean Partners on the Company's first prepayment financing facility of US\$1.5M drawn in September, 2021 (see GSilver news release dated September 23, 2021 - "GSilver Signs Concentrate Sales Agreement"). Similarly, approximately US\$750,000 will be used to repay the first four months' of interest and principal payments on Ocean Partners' US\$5.0 million facility drawn in August 2022 as noted above. In aggregate, after making allowance for these repayments, the Company will have outstanding borrowings of approximately US\$9.0M to Ocean Partners. In conjunction with the New Facility, the Company has agreed to consolidate and extend the sale of concentrate derived from its Guanajuato mines into a single offtake agreement with Ocean Partners for a term of 24 months ending December 31, 2024, subject to a minimum delivery of 12,500 wet metric tonnes.

## Shares for Debt

GSilver also announces that it has completed its previously announced shares-for-debt transaction totalling C\$1,127,038 (see GSilver news release dated October 7, 2022 - "Guanajuato Silver Arranges Shares for Debt"). The Company has issued a total of 2,817,595 common shares at a deemed price of C\$0.40 per share in settlement of C\$1,127,038 including 693,750 shares issued to non-arms-length parties to settle of indebtedness totalling \$277,500. The common shares are subject to a 4 month hold period expiring April 8, 2023.

## About Guanajuato Silver

GSilver is a precious metals producer engaged in reactivating past producing silver and gold mines near the city of Guanajuato, Mexico, which has an established 480-year mining history. With five mines and three processing facilities, the Company is one of the fastest growing silver producers in Mexico.

## ON BEHALF OF THE BOARD OF DIRECTORS

"James Anderson"  
Chairman and CEO

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Continue to watch our progress at: [www.GSilver.com](http://www.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 proposed use of funds from the New Facility and the amounts thereof, the ability of the Company to repay and redraw the New Facility from time to time on the terms and conditions thereof or at all, the current and projected mined output from the Company's existing mines and the ability of the Company to increase production, tonnage and recoveries of mineralized material and increase silver and gold grades, improve metallurgical recovery rates, increase revenues, and reduce production costs (including AISC) consistent with the Company's expectations and production model, the Company's status as one of the fastest growing silver producers in Mexico and the ability of the Company to ramp-up production to become the next mid-tier silver producer in Mexico.

Such forward-looking statements and information reflect management's current beliefs and expectations 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, market, economic and regulatory uncertainties and contingencies. These assumptions include: our mineral resource estimates at El Cubo and El Pinguico and estimates of mineralized material at San Ignacio, Valenciana and Topia 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; the ability of the Company to successfully integrate production from San Ignacio and Valenciana into the Company's existing mining and milling operations at El Cubo and the availability of excess processing and tailings capacity at El Cubo to accommodate same; the Company's ability to secure additional sources of mineralized material for processing, prices for silver, gold and other metals remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects and to satisfy current liabilities and obligations including debt repayments; capital, decommissioning and reclamation estimates; prices for energy inputs, labour, materials, supplies and services (including transportation) and inflation rates remaining as estimated; 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 significant risks and uncertainties that may cause actual future results, level of activity, production levels, performance or achievements of GSilver to differ materially from those expected including, but not limited to, market conditions, availability of financing, future prices of gold, silver and other metals, actual results of production, exploration and development activities, actual resource grades and recoveries of silver, gold and other metals, availability of third party mineralized material for processing, currency rate fluctuations, unanticipated geological or structural formations and characteristics, environmental risks, operating risks, accidents, labor issues, equipment or personnel delays, delays in obtaining governmental or regulatory approvals and permits, rising inflation and interest rates, geopolitical conflicts including wars, inadequate insurance, and other risks in the mining industry. There are no assurances that GSilver will be able to continue to increase production, tonnage milled and recoveries rates, improve grades and reduce costs at its existing mines to process mineralized material to produce silver, gold and other concentrates in the amounts, grades, recoveries, costs and timetable anticipated. In addition, GSilver's decision to process mineralized material from its existing mines 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 and mineralized material 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 Company's projected production of silver, gold and other metals will be realized. In addition, there are no assurances that the Company will meet its production forecasts or generate the anticipated cash flows from operations to satisfy its scheduled debt payments or other liabilities when due or meet financial covenants to which the Company is subject or to fund its exploration programs and corporate initiatives as planned. There is also uncertainty about the continued spread and severity of COVID-19, the ongoing war in Ukraine and rising inflation and interest rates and the impact they will have on the Company's operations, supply chains, ability to access mining projects or procure equipment, supplies, contractors and other personnel on a timely basis or at all and economic activity in general. Accordingly, readers should not place undue reliance on forward-looking statements or information. All forward-looking statements and information 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](http://www.sedar.com) including the Company's annual

information form for the year ended December 31, 2021. These forward-looking 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.

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