

Gold Mountain Closes Debt Settlements and Private Placement and Announces 2024 Annual Meeting of Shareholders Details

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VANCOUVER, April 12, 2024 - [Gold Mountain Mining Corp.](#) ("Gold Mountain" or the "Company") (TSX:GMTN)(OTCQB:GMTNF)(FRA:5XFA) is pleased to announce that further to its press release dated March 25, 2024, the Company has closed its previously announced transactions with two secured creditors and a number of other unsecured creditors for the settlement and postponement of certain secured and unsecured debts (the "Debt Settlements") and has closed a non-brokered private placement raising gross proceeds of \$750,000 (the "Private Placement").

The secured creditors are Nhwelmen Construction LP Ltd. ("Nhwelmen") who settled \$1,250,000 in debt and Hedge Minerals Corp. ("Hedge") who settled all of its debt, being \$1,241,669.18. Nhwelmen and Hedge agreed to accept common shares of the Company at an issuance price of \$0.0075 per share (the "Issue Price"), which pricing was at a discount to market price (for a maximum of 166,666,667 common shares being issued to Nhwelmen and 165,555,891 common shares being issued to Hedge).

The remaining amount of the Nhwelmen secured debt will be repaid in equal cash payments over 24 months commencing in April, 2024 and including interest at a rate of 18% per annum.

The Company also approached certain unsecured vendors who provide critical services to the Company and entered into debt settlement agreements for the conversion of \$1,249,400 of unsecured debt for settlement of such debts in payment of common shares of the Company at the Issue Price for 166,586,667 common shares.

Further, the Company closed on the Private Placement issuing 100,000,000 common shares in the capital of the Company at the Issue Price for gross proceeds to the Company of \$750,000, which represents 14.56% of the Company's issued and outstanding common shares following the issuance of common shares with respect to the Debt Settlements. The common shares issued are subject to applicable resale restrictions, including a hold period of four months and one day from the closing of the Private Placement under Canadian securities rules. The Private Placement is subject to final Toronto Stock Exchange ("TSX") approval. Proceeds of the Private Placement will be used to ramp up operations at the Elk Gold Mine and for working capital and general corporate purposes. No insiders of the Company will be participating in the Private Placement.

Insider Participation

As disclosed in the March 25, 2024 press release, none of the creditors currently own (directly or indirectly) any securities of the Company. Upon completion of the Debt Settlements and Private Placement, Nhwelmen owns 24.26% of the Company's common shares, Hedge own 24.10% of the Company's common shares and the unsecured creditors own 24.25% the Company's common shares, all on a non-diluted basis. As a result of such ownership, Nhwelmen and Hedge are now "insiders" of the Company for purposes of the TSX Company Manual and a "related party" of the Company pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). No unsecured creditors or subscribers pursuant to the Private Placement have become "insiders" or "related parties" in the Company. The Debt Settlements resulted in a change of control of the Company as both Nhwelmen and Hedge are now control persons in the Company, owning more than 20% of the current issued and outstanding.

The Debt Settlement is a "related party transaction" within the meaning of MI 61-101. However, in light of the fact that the Board and Special Committee have determined that the Company is in serious financial difficulty and that the Debt Settlement is designed to improve the Company's financial situation, the Company is relying on the exemption from the formal valuation and minority approval requirements of MI 61-101 contained in Section 5.5(g) and Section 5.7(1)(e) of MI 61-101, respectively, on the basis of the "financial hardship" exemption therein.

Financial Hardship Exemption

As the Debt Settlements have: (i) resulted in the issuance of shares to Hedge and Nhwelmen in an amount greater than 25% of the number of common shares outstanding and materially effect control of the Company (section 604(a)(i) of the TSX Company Manual); (ii) diluted the Company's market capitalization by more than 25% (section 607(g)(i) of the TSX Company Manual); and (iii) the issuance of common shares in the Debt Transactions and Private Placement were priced lower than market price less the maximum applicable discount (section 607(e) of the TSX Company Manual), disinterested shareholder approval and an independent report regarding the value of the transaction consideration is required. However, the Company applied to the TSX for a "financial hardship" exemption from the requirements to obtain disinterested shareholder approval and an independent valuation report on the basis that the Company is in serious financial difficulty and the Debt Settlement is designed to improve the Company's financial situation. The application was made upon the recommendation of the Special Committee, free from any interest in the Debt Settlement and unrelated to the parties involved in such transactions (other than the Company) and was based on its determination that the Debt Settlement is reasonable for the Company in the circumstances.

Early Warning Disclosure

Nhwelmen and Hedge are each providing the following additional information pursuant to the early warning requirements of applicable Canadian securities laws.

Prior to the Debt Settlements, Nhwelmen did not own any securities of the Company. Under the Debt Settlements, Nhwelmen acquired an aggregate of 166,666,667 Common Shares at a deemed price of \$0.0075 per share in exchange for a portion of its secured debt, representing approximately 24.26% of the issued and outstanding common shares on a non-diluted basis following completion of the Debt Settlement and Private Placement.

Prior to the Debt Settlements, Hedge did not own any securities of the Company. Under the Debt Settlements, Hedge acquired an aggregate of 165,555,891 Common Shares at a deemed price of \$0.0075 per share in exchange for the entirety of its secured debt, representing approximately 24.10% of the issued and outstanding common shares on a non-diluted basis following completion of the Debt Settlement and Private Placement.

The securities above are held by Nhwelmen and Hedge for investment purposes. Each of Nhwelmen and Hedge have a long-term view of the investment and may acquire additional securities of the Company including on the open market or through private acquisitions or sell securities of the Company including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other factors that either the Nhwelmen and Hedge, as applicable, considers relevant from time to time.

A copy of the early warning reports of each of Nhwelmen and Hedge will appear on the Company's SEDAR+ profile at www.sedarplus.ca.

Annual General Meeting Details

The Company announces that its annual meeting of shareholders ("AGM") will be held on June 19th, 2024 to be held by Zoom at 10am PST.

For further information about the AGM, including access to all meeting materials, the Company will post such materials on its website at www.gold-mountain.ca and under the Company's profile on the SEDAR+ website

at www.sedarplus.ca.

About Gold Mountain

Gold Mountain is a British Columbia based gold and silver production, exploration and development company focused on the development of the Elk Gold Mine, a producing mine located 57 kilometers from Merritt in South Central British Columbia. Additional information is available at www.sedar.com or on the Company's new website at www.gold-mountain.ca.

For more information, please contact:

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Forward Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation regarding the ability of the Company to continue as a going concern, the impact of the Debt Settlement on the Company and the results thereof, including that it will allow the Company to address its significant working capital deficiency and provide operating capital to the Company so that it can go forward as a viable going concern, receipt of the regulatory and TSX approval, the removal of all secured debt, elimination of future interest payments and the ability for the Company to restart the mine, thereby significantly improving the Company's financial situation. Forward-looking statements include statements that are based on assumptions as of the date of this news release and are not purely historical including any information relating to statements regarding beliefs, plans, expectations or intentions regarding the future and often, but not always, use words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; the price of gold; and the results of current exploration. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Gold Mountain disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this News Release.

SOURCE: [Gold Mountain Mining Corp.](http://www.GoldMountainMiningCorp.)

View the original press release on accesswire.com

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