

Gold Mountain Announces Further Debt Settlements and Issuance of Convertible Debenture

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VANCOUVER, June 3, 2024 - [Gold Mountain Mining Corp.](#) ("Gold Mountain" or the "Company") (TSX:GMTN)(OTCQB:GMTNF)(FRA:5XFA) announces that it has reached agreement to settle all of the secured debt (the "Debt Settlement") of Nhwelmen Construction Limited Partnership ("Nhwelmen"), who is currently owed \$6.5 million (the "Nhwelmen Secured Debt").

Nhwelmen, the contract miner at the Company's Elk Gold Mine, has agreed to accept 50,000,000 common shares of the Company in payment of \$1.5 million of the Nhwelmen Secured Debt at an issuance price of \$0.03 per share, which is at a discount to the market price, and a convertible secured debenture (the "Convertible Debenture") will be issued in the amount of \$5 million which represents the remaining amount of the Nhwelmen Secured Debt. The Convertible Debenture is convertible at Nhwelmen's option into 62,500,000 common shares at a conversion price of \$0.08 per share. The Convertible Debenture will mature on the date that is four (4) years from the date of issuance and will accrue interest at the rate of 12.0% per annum, calculated monthly and payable in cash in arrears on each anniversary date from the date of issuance. The Convertible Debentures may be prepaid in whole or in part, at the option of the Company. The Convertible Debenture will be secured by a second-priority security interest over all of the assets of the Company including its current and after-acquired property and the security for the Convertible Debenture will continue to be evidenced by the general security agreement dated effective March 10, 2024 between the Company and Nhwelmen. The offering of the Convertible Debenture is subject to customary closing conditions including final Toronto Stock Exchange ("TSX") approval.

The Company also intends to forthwith approach certain unsecured vendors who provide critical services to the Company for the conversion of up to \$1,700,660 of unsecured debt for settlement of such debts in payment of common shares of the Company at the issuance price of \$0.03 per share, which is at a discount to the market price.

The maximum number of securities issuable, assuming the conversion of the Convertible Debenture, will be 169,188,667 common shares representing 24.63% of the issued and outstanding common shares of the Company on a pre-transaction, non-diluted basis. All of the transactions noted above were negotiated at arm's length and there will be no effect on control.

Insider Participation

Nhwelmen currently own 166,666,667 common shares of the Company, representing approximately 24.26% of the issued and outstanding common shares of the Company and is therefore an "insider" 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

Holder in Special Transactions ("MI 61-101"). Assuming settlement of all \$1.71 million of the unsecured debt and full conversion of the Convertible Debenture, Nhwelmen would own 279,166,667 common shares representing 32.61% of the Company's common shares, on a non-diluted basis.

The Nhwelmen Debt Settlement and issuance of the Convertible Debenture to Nhwelmen are "related party transactions" within the meaning of MI 61-101. The Company's Special Committee (as defined below) have determined that the Company meets the financial hardship requirements of Section 5.5(g) and Section 5.7(1)(e) of MI 61-101, respectively, the Nhwelmen Debt Settlement and Convertible Debenture are

designed to improve the financial position of the Company, and the terms of such transactions are reasonable in the circumstances of the Company.

Special Committee

A special committee of the board of directors of the Company (the "Special Committee") was constituted and considered the fairness of the Nhwelmen Debt Settlement and Convertible Debenture and related matters. The Special Committee is comprised of the independent directors. The Special Committee has determined that the Nhwelmen Debt Settlement and Convertible Debenture are reasonable for the Company in the circumstances and recommends that the Company proceed with the Nhwelmen Debt Settlement and Convertible Debenture.

Security Holder Approval

Pursuant to Section 604(a)(ii) and Section 607(g)(ii) of the TSX Company Manual, as the Company will be providing consideration to Nhwelmen, a current insider of the Company, in aggregate of 10% or greater of the market capitalization of the Company during a six-month period, the TSX requires security holder approval with respect to the Nhwelmen Debt Settlement and the issuance of the Convertible Debenture. Instead of seeking security holder approval at a duly called meeting of security holders, the TSX is permitting the Company, pursuant to section 604(d) of the TSX Company Manual, to provide written evidence from more than 50% of the voting securities of the Company held by disinterested shareholders who are familiar with the terms of the transactions. The vote of the disinterested shareholders will exclude the 166,666,667 common shares of the Company currently held by Nhwelmen which represents approximately 24.26% of the issued and outstanding common shares of the Company.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the U.S. Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements thereunder.

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:

[Gold Mountain Mining Corp.](http://www.goldmountaincorp.com)

Calvin Cheung, CFO

Email: cc@gold-mountain.ca

Website: www.gold-mountain.ca

Twitter: [www.twitter.com/goldmtnmine](https://twitter.com/goldmtnmine)

Forward-Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation regarding the closing of the Debt Settlement and the timing of the same, the closing of the Convertible Debenture and the timing of the same, 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, 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.

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