

Denarius Metals Announces Consent Solicitation Process To Retire Its Convertible Debentures To Strengthen Its Liquidity As It Develops Its Gold, Silver And Critical Minerals Projects In Colombia And Spain

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- The proposed transaction will fix the Company's capital structure, using its common shares to fully retire the Convertible Debentures.
- Dramatically strengthens the Company's liquidity as it develops its portfolio of projects by retaining a total of approximately CA\$157 million of cash that would otherwise be paid to service the gold premiums and interest on the Convertible Debentures over the next four years.
- Provides an acceleration of the investment return and upside in the equity of the Company to the holders of the Convertible Debentures through the early redemption of the Convertible Debentures with common shares and benefits all shareholders by removing the impact of the Convertible Debentures' overhang on the Company's common shares.
- The Company's board of directors, after careful consideration, has unanimously approved the proposed transaction.

[Denarius Metals Corp.](#) (Cboe CA: DMET) (OTCQX: DNRSF) ("Denarius Metals" or the "Company") announced today that it has commenced a consent solicitation process to approve certain amendments (the "Amendments") to the trust indentures governing its convertible unsecured debentures (collectively, the "Debentures"), with the intention of retiring the Debentures through early redemption on July 31, 2026, settled by conversion into common shares (the "Transaction").

Serafino Iacono, Executive Chairman, commented, "The Debentures were an important contribution to the early-stage financing of the Company as we embarked on our plan to build the Zancudo Project and to fund the acquisition of our position in the Aguablanca Project. The Debentures were acquired by investors, many of whom are shareholders, in an era when gold prices hovered in the US\$2,000 range and, while they offered an opportunity to generate upside investment returns through the gold premiums, the thought of gold prices reaching upwards of US\$4,000 was well beyond anyone's imagination at the time."

Since then, we have commenced production at our Zancudo Project and we are working to ramp up operations over the next few months to fully utilize our new 1,000 tonnes per day processing plant, which is currently being constructed. In parallel, we continue to focus on bringing the Aguablanca Project into operation within the next 12 months and we are mapping out the game plan to bring our Lomero and Toral Projects in Spain into production over the next 2 to 3 years.

The Transaction is designed to preserve cash in order to maintain the Company's financial condition for the benefit of all stakeholders as we develop our portfolio of assets. Over the last 12 months, we have settled payments to the holders of our Convertible Debentures totaling CA\$16.2 million for the monthly interest and two gold premiums on our Debentures through the issuance of approximately 21.9 million shares. With the current robust gold price environment expected to continue into the future, we are expecting to have to pay a total of approximately CA\$157 million in gold premiums and interest on the Debentures over the next four years, if the Debentures remain outstanding. While we are confident that the operating cash flow from the Zancudo Project will be sufficient to service these obligations, the going concern note in our financial statements cautions that there can be no assurance that these activities will be successful. With our internally generated cash flow largely, but not entirely, committed to servicing these obligations over the next four years, we would need to secure new financing to develop our projects in Spain through equity offerings, debt, joint ventures or other similar sources that could result in dilution to shareholders. At this time, we believe the time has come to fix our capital structure, using our common shares to retire the Debentures and allowing the Company to retain access to the cash that would otherwise be paid to the holders of the Debentures."

In evaluating the Transaction, the board of directors of Denarius Metals considered a range of alternatives to the Transaction, including continuing to service the Debentures from operating cash flow and refinancing the Debentures with new debt. The board of directors concluded that retiring the Debentures with common shares offers the most certain and value-accretive path forward for the Company and its shareholders.

The Company has an aggregate principal amount of CA\$19.9 million of convertible unsecured debentures due October 31, 2024 ("Series 1 Debentures") that are issued and outstanding under a trust indenture dated October 19, 2023, as amended and supplemented on October 31, 2023, December 31, 2024 and June 18, 2025 (together, the "2023 Indenture") and an aggregate principal amount of CA\$14.3 million of convertible unsecured debentures due May 30, 2030 ("Series 2 Debentures") that are issued and outstanding under a trust indenture dated May 30, 2024, as amended and supplemented on June 25, 2024, October 31, 2024 and June 18, 2025 (together, the "2024 Indenture").

The proposed Amendments to the 2023 Indenture and the 2024 Indenture, if approved and implemented, include:

- adding an early redemption provision pursuant to which the Company can require all holders to convert their Debentures to maturity into common shares at the respective conversion prices as set out in the 2023 Indenture and the 2024 Indenture, and

- implementing a provision requiring the Company, upon exercise of its early redemption option, to compensate the holders of the Debentures with a "make whole" payment (the "Make Whole Payment") that will be settled through an issuance of additional common shares by the Company. The Make Whole Payment will represent an amount per CA\$1.00 of principal equivalent to the net present value of the future quarterly gold premiums and the monthly interest payments payable from the early redemption date through to the respective maturity dates for each of the Debentures.

If the Amendments are approved, on closing of the Transaction on July 31, 2026, the Company will issue a total of approximately 225.3 million common shares to retire the Debentures. The Company believes the elimination of approximately CA\$150 million of future cash obligations, the removal of the Debentures' overhang in the market and the resulting strengthened balance sheet are expected to be accretive to long-term shareholder value. The common shares will be issued as follows:

- a total of approximately 44.2 million common shares to the holders of the Series 1 Debentures resulting from the conversion of the Series 1 Debentures at the conversion price of CA\$0.45 per share;
- a total of approximately 95.0 million common shares to the holders of the Series 1 Debentures representing a Make Whole Payment of CA\$3.87 per CA\$1.00 of principal that will be settled through the issuance of 4.78 shares per CA\$1.00 of principal amount of Series 1 Debentures issued and outstanding;
- a total of approximately 23.8 million common shares to the holders of the Series 2 Debentures resulting from the conversion of the Series 2 Debentures at the conversion price of CA\$0.60 per share;
- a total of approximately 62.3 million shares to the holders of the Series 2 Debentures representing a Make Whole Payment of CA\$3.54 per CA\$1.00 of principal that will be settled through the issuance of 4.37 shares per CA\$1.00 of principal amount of Series 2 Debentures issued and outstanding; and
- the Make Whole Payments noted above include consent fees equal to 3% per CA\$1.00 of principal that are being paid to the holders of the Debentures in conjunction with the Transaction, consistent with market practice for debenture consent solicitations of this nature. The consent fee is payable on identical terms to all debentureholders, including insider debentureholders, and no preferential treatment. A total of approximately 1.3 million common shares is being issued in respect of the consent fees paid to the holders of the Debentures.

The common shares issued pursuant to the Amendments for the Make Whole Payments will not be subject to a hold period. The common shares will be issued at a price of CA\$0.81 per share, representing the 20-day volume weighted average share price of the common shares of the Company as reported on Cboe Canada as of the close on June 1, 2026, the day prior to the board of directors' approval of the Transaction. As such, the issuance price for the shares associated with the Make Whole Payments was not discounted in favour of the debentureholders. The Amendments will be subject to the approval of the holders of Debentures and Cboe Canada, and the issuances of common shares for the Make Whole Payments contemplated by the Amendments will be subject to the approval of the Company's shareholders and Cboe Canada. The dollar value of the Make Whole Payments has been computed based on the schedule of quarterly gold premiums and monthly interest payments for the period from the Transaction date to the maturity dates for the Debentures, assuming, for purposes of the calculation, that spot gold prices used in the quarterly gold premium calculation remain above the contractual maximum gold price of US\$4,000 (the cap above which no incremental gold premium accrues to the debentureholders), based on the current gold price outlook over the remaining terms of the Debentures. The discount rate for the determination of the Make Whole Payments is 12%, equivalent to the contractual interest rate on the Debentures, which the Company believes is a market-based and appropriate rate that does not provide debentureholders with any premium beyond the economics already embedded in the Debentures. The Make Whole Payments represent the discounted present value of the contractual cash flows the debentureholders would otherwise have received, and do not include any incremental consideration, settlement premium or transaction-related compensation other than the 3% consent fee, which is payable to all debentureholders.

The Company will be holding separate special meetings of the holders of each series of Debentures on July 16, 2026. For the Amendments, a quorum of holders representing at least 25% of the aggregate principal amount of each series issued and outstanding is required, and the Amendments must be approved by the favourable vote of holders of not less than 66 2/3% of the principal amount of the applicable Debentures represented at the meetings. In addition, to issue the common shares to settle the Make Whole Payments, the Company requires the approval of at least 50% of the votes cast by shareholders entitled to vote at the special meeting of shareholders to be held on July 17, 2026. If the Amendments and the share issuance are approved, the Company will immediately elect to implement its early redemption option and complete the Transaction on July 31, 2026.

Further details regarding the Transaction will be included in the Company's management information circulars to be prepared in connection with the special meetings of the holders of the Debentures and the shareholders. Meeting materials, including the management information circulars, will be mailed by the Company to holders of the Debentures and to shareholders of the Company, where applicable, in advance of the special meetings in accordance with legal requirements. Copies of the materials for the meetings, once available, will also be filed on SEDAR+ at www.sedarplus.ca and posted on the Company's website at www.denariusmetals.com.

Certain directors and members of management hold Debentures that were acquired on the same terms and conditions as those held by third-party debentureholders and accordingly, will participate in the Transaction on identical terms as all other debentureholders. No preferential treatment, collateral payments or benefits, or differentiated consideration will be provided to any debentureholders.

being provided to insiders in connection with the Transaction. Pursuant to the consent solicitation process, directors and management of the Company have indicated their intention to approve the Amendments and, as such, the following insiders will receive common shares for Make Whole Payments, if the Amendments become effective, as summarized in the table below:

	Current Holdings and Issued & Outstanding (I&O) Shares issuable pursuant to the Pro Form Transaction					Holdings as of June 2, 2026
	Common Shares	Series 1 Debentures (CAD)	Series 2 Debentures (CAD)	Conversion of Debentures	Make Whole Payments (1)	
Serafino Iacono	27,334,608	\$ 1,939,306	\$ 6,554,520	15,233,769	37,913,135	80,481,511
Federico Restrepo-Solano	3,564,486	35,374	156,060	338,709	851,070	4,754,265
Michael Davies	398,419	46,818	-	104,040	223,790	726,249
Amanda Fullerton	75,580	15,606	-	34,680	74,597	184,857
Total insiders	31,373,093	\$ 2,037,104	\$ 6,710,580	15,711,198	39,062,592	86,146,882
Total I&O	212,381,686	\$ 19,886,560	\$14,251,506	67,944,866	157,336,838	437,663,300
Total insiders as a % of total I&O	14.77 %	10.24 %	47.09 %	23.12 %	24.83 %	19.68 %

total I&O

(1) Make Whole Payments to Insiders include a total of 323,988 common shares related to the 3% consent fee being paid in conjunction with the Amendments. The aggregate Make Whole Payments to the holders of the Debentures includes a total of 1,264,373 common shares being issued for the consent fees.

The Company has determined that the Transaction does not constitute a "related party transaction" for purposes of Multistage Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"), as the Transaction is a transaction in which the general body of holders in Canada of affected securities of the same class are treated identically on a security basis, and no party will be conferred a collateral benefit as part of the Transaction. Accordingly, the requirements of MI 61-101, including the formal valuation and minority approval requirements, do not apply to the Transaction.

The Transaction, including the terms of the Make Whole Payments and the participation by insiders, was reviewed and unanimously approved by the Company's board of directors. Further details regarding the review process and any formal opinion or exemption relied upon under MI 61-101 will be set out in the management information circular for the shareholders' meeting.

If you have any questions about the Transaction, please contact Sodali & Co, the Company's consent solicitation and proxy solicitation agent (i) by telephone at 1-888-444-0561 (North American toll free) or 1-289-695-3075 (collect) or (ii) by email at assistance@investor.sodali.com.

About Denarius Metals

Denarius Metals is a Canadian junior company engaged in the acquisition, exploration, development and eventual operation of precious metals and polymetallic mining projects in high-grade districts in Colombia and Spain. Denarius Metals is listed on the Toronto Stock Exchange where it trades under the symbol "DMET". The Company also trades on the OTCQX Market in the United States.

symbol "DNRSF".

In Colombia, Denarius Metals is producing gold and silver in an "early production" phase at its 100%-owned Zancudo Project. It is currently completing construction of a 1,000 tonnes per day processing plant that is expected to start producing high-grade gold and silver concentrates by the third quarter of 2026. The Zancudo Project is a high-grade gold-silver deposit, which includes the historic producing Independencia mine, and is located in the Cauca Belt, about 30 km southwest of Medellin.

In Spain, Denarius Metals has interests in three projects focused on in-demand critical minerals. The Company owns a 100% interest in Rio Narcea Recursos, S.L. and is the operator of its Aguablanca Project, which has been recognized by the Spanish government as a Strategic Project. The Aguablanca Project comprises a turnkey 5,000 tonnes per day processing plant and the rights to operate the historic producing Aguablanca nickel-copper mine, located in Monesterio, Extremadura. Denarius Metals also owns a 100% interest in the Lomero Project, a polymetallic deposit located on the Spanish side of the prolific copper rich Iberian Pyrite Belt, approximately 88 km southwest of the Aguablanca Project, and a 100% interest in the Toral Project, a high-grade zinc-copper deposit located in the Leon Province, Northern Spain.

Additional information on Denarius Metals can be found on its website at www.denariusmetals.com and by reviewing its filings on SEDAR+ at www.sedarplus.ca.

Cautionary Statement on Forward-Looking Information

This news release contains "forward-looking information", which may include, but is not limited to, statements with respect to anticipated business plans or strategies, including matters related to the Debentures' consent solicitation process, the anticipated benefits of the Transaction, the proposed timing of the Transaction and related meetings of debentureholders and shareholders, and receipt of regulatory, Cboe Canada, debentureholders' and shareholders' approvals. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Denarius Metals to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "Risk Factors" in the Company's Annual Information Form for the year ended March 31, 2026 which is available for view on SEDAR+ at www.sedarplus.ca. Forward-looking statements contained herein were made as of the date of this press release and Denarius Metals disclaims, other than as required by law, any obligation to update or revise any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management estimates or opinions should change, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

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