

Guanajuato Silver Announces Closing of C\$8.7 Million Financing

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VANCOUVER, October 30, 2024 - [Guanajuato Silver Company Ltd.](#) (the "Company" or "GSilver") (TSXV:GSVR), a rapidly growing Mexican precious metals producer, is pleased to announce the closing of its previously announced non-brokered private placement (the "Private Placement") for gross proceeds to the Company of C\$8,720,400 (See GSilver news release dated October 22, 2024 and October 24, 2024). The Private Placement consisted of 36,335,000 units of the Company (the "Units") at a price of C\$0.24 per Unit (the "Private Placement Price"). Each Unit consists of one common share in the capital of the Company (each, a "CommonShare") and one-half of one non-transferable Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall entitle the holder thereof to purchase one additional Common Share (each, a "Warrant Share") at an exercise price of C\$0.35 per Warrant Share for a period of 24 months following the closing date of the Private Placement. The Private Placement includes an anchor order of C\$3,000,000 by a corporation beneficially owned and controlled by Mr. Eric Sprott. The Company intends to use the net proceeds of the Private Placement for capital expenditures aimed at expanding precious metals production and for working capital and general corporate purposes.

To demonstrate continued support of the Company, Myrmikan Gold Fund, LLC which is affiliated with a director (Daniel Oliver Jr.) and the Company's COO Carlos Alberto Silva (collectively, the "Related Parties") participated in the Private Placement and acquire an aggregate of 834,000 Units for total gross proceeds of \$200,160. The subscription by each Related Party is considered a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The related party transaction is exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 in reliance upon the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, as the fair market value of the transaction, insofar as it involves the Related Parties, does not exceed 25% of the Company's market capitalization. The Company will not file a material change report related to Private Placement more than 21 days before the expected closing of the Private Placement as required by MI 61-101 since the details of the participation by each Related Party were not settled until shortly prior to the closing of the Private Placement and the Company wishes to close on an expedited basis for sound business reasons.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States or to U.S. Persons (as that term is defined in Rule 902(k) of Regulation S), nor shall this press release be construed to constitute such an offer or solicitation in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "1933 Act") or under any U.S. state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act, as amended, and applicable state securities laws.

In connection with the Private Placement, Medalist Capital Advisors Inc. ("Medalist Capital") has been paid a finder's fee equal to 6% of the gross proceeds of the Private Placement and 6% Broker Warrants (the "Broker's Warrants") based on a total of C\$7,360,080 raised by Medalist Capital. Each Broker's Warrant entitles the holder to purchase one common share of the Company at a price of C\$0.24 for a period of two years. The cash commission portion of the finders fee was paid in shares issued at C\$0.24 per share.

All securities issued pursuant to the Private Placement are subject to a hold period that ends on March 1, 2025 in accordance with applicable securities laws.

Endeavour Silver Contingent Payment

Additionally, the Company has now closed the last remaining contingent payment owed to [Endeavour Silver Corp.](#) ("Endeavour") as part of the purchase of the El Cubo mine and mill complex ("El Cubo") located in Guanajuato, Mexico. As previously announced (see GSilver news release dated September 26, 2024), over 3,000,000 ounces of silver-Equivalent ("AgEq")⁽¹⁾ have now been produced at the El Cubo mill; this milestone has triggered a final contingent payment to Endeavour of US\$1,000,000 (the "Contingent Payment"). The Contingent Payment has been settled entirely in shares of the Company totalling 5,506,530 common shares in the capital of the Company at a deemed price of C\$0.245 per share (the "Endeavour Debt Settlement"). All shares issued thereunder will be subject to a statutory hold period of four months and a day from the date of issuance in accordance with applicable securities legislation.

(1) AgEq has been calculated using an 82.77:1 (Ag/Au) ratio from October 1, 2021, until September 20, 2024.

Shares for Debt

The Company also confirms that, as previously announced (See GSilver News Release dated September 26, 2024), it has completed the settlement of US\$1,796,256 (C\$2,442,908.67) in outstanding liabilities to Ocean Partners UK Limited ("Ocean Partners"), a metals off-take and trading firm, by the issuance of 9,771,635 common shares in the capital of the Company at a deemed price of C\$0.25 per share (the "OPDebt Settlement"). The OP Debt Settlement covers two months' of outstanding payments on the existing Gold Loan Credit Facility (the "Expanded Facility"), which the Company began paying down in June 2024 (See GSilver news releases dated December 5, 2023 and February 29, 2024).

Guanajuato Silver also confirms it has settled C\$77,480 in outstanding liabilities of the Company by the issuance of 309,920 common shares in the capital of the Company to three presently arm's length third party entities under the same terms as the OP Debt Settlement (the "Third Party Debt Settlement").

The shares issued for the OP Debt Settlement and the Third Party Debt Settlement are subject to a four-month hold period that expires on March 1, 2025.

About Guanajuato Silver

GSilver is a precious metals producer engaged in reactivating past producing silver and gold mines in central Mexico. The Company produces silver and gold concentrates from the El Cubo Mine, Valenciana Mines Complex, and the San Ignacio mine; all three mines are located within the state of Guanajuato, which has an established 480-year mining history. Additionally, the Company produces silver, gold, lead, and zinc concentrates from the Topia mine in northwestern Durango. With four operating mines and three processing facilities, Guanajuato Silver is one of the fastest growing silver producers in Mexico.

Technical Information

William Gehlen, a Director of Guanajuato Silver, has approved the scientific and technical information contained in this news release. Mr. Gehlen is a Certified Professional Geologist with the American Institute of Professional Geologists (No. 10626), and a Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects. Mr. Gehlen has verified the data that supports the technical information disclosed in this press release by reviewing production reports from each of the Company's mining operations.

ON BEHALF OF THE BOARD OF DIRECTORS

"James Anderson"
Chairman and CEO

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Guanajuato Silver Bullion Store

Please visit our Bullion Store, where Guanajuato Silver coins and bars can be purchased.

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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 use of proceeds from the Private Placement; and GSilver's status as one of the fastest growing silver mining company in Mexico.

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: the potential quantity, grade and metal content of the mineralized material at El Cubo and San Ignacio, the geotechnical and metallurgical characteristics of such material 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; 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 risks and uncertainties that may cause 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, currency rate fluctuations, high inflation and interest rates, geopolitical conflicts including wars, actual results of exploration, development and production activities, actual grades and recoveries of silver, gold and other metals from the Company's existing mines including El Cubo, San Ignacio, VMC and Topia, 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, 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 El Cubo, San Ignacio, VMC and/or Topia to process mineralized materials 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 El Cubo, San Ignacio, VMC and Topia 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 grades of gold and silver at El Cubo and San Ignacio and the anticipated level of production therefrom 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 impact of any resurgence of COVID-19, the ongoing war in Ukraine and conflict in Gaza, elevated 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, 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.sedarplus.ca including the Company's most recently filed annual information form. 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.

SOURCE: Guanajuato Silver Company Ltd.

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