

Colossus Minerals Inc. - Provides Financing Update

02.01.2014 | [Marketwire](#)

TORONTO, Jan 2, 2014 - [Colossus Minerals Inc.](#) (TSX:CSI) (OTCQX:COLUF) ("Colossus" or the "Company") After announcing the termination of a financing previously announced on December 18, 2013 the Company has held discussions with a group of holders of Convertible Gold Linked Notes ("Notes") in relation to the anticipated failure of the Company to pay interest on the Notes on December 31, 2013 and the consequential default under the Notes that would result from the Company's inability to rectify such failure before January 10, 2014.

On December 31, 2013 the Company received a proposal from these noteholders and [Sandstorm Gold Ltd.](#) ("Sandstorm") which, if implemented would offer the Company the ability to carry on business activities past December 31, 2013 with a view to its potential sale or future recapitalization. However, existing holders of common shares would experience massive dilution to the point where they would, in aggregate, hold approximately 1.7% of the outstanding common shares after giving effect to the terms of the proposal.

The proposal is being considered by the Company's directors and discussions are continuing. Holders of Notes and the common shares are cautioned that the transactions herein are currently at the discussion stage and completion is subject to many factors such as the execution of board approval, the negotiation and execution of definitive documentation, court approval and regulatory approval. There can be no assurance that any transaction will be completed on the terms described herein, or that existing shareholders will ultimately receive or retain any value.

In order to conserve its cash resources the Company is in the process of laying off approximately 400 workers at the Serra Pelada Project and has placed the project on a care and maintenance status. It is also significantly reducing the number of employees at the Toronto office.

Cautionary Statement Regarding Forward-Looking Information

Forward-looking statements in this press release include statements regarding the ability of the Company to obtain financing or if obtained to obtain on commercially reasonable terms, the timing and nature of future exploration and development programs that are dependent on projections that may change as drilling continues, or if unexpected ground conditions are encountered. The Company does not currently have any mineral properties that are in production or that contain a reserve as defined by National Instrument 43-101. In addition, areas of exploration potential are identified which will require additional drilling to determine whether or not they contain similar mineralization to areas that have been explored in more detail. Significant additional drilling is required at Serra Pelada to fully understand system size.

Except for statements of historical fact relating to Colossus, certain statements in this press release relating but not limited to the Company's exploration and development plans, activities and intentions, constitute "forward-looking information" within the meaning of the Securities Act (Ontario) or "forward-looking statements" within the meaning of the United States Private Litigation Reform Act of 1995. These forward-looking statements represent management's best judgment based on current facts and assumptions that management considers reasonable. Forward-looking statements are frequently characterized by words such as "target", "plan", "expect", "project", "intend", "believe", "anticipate" and other similar words, or statements that certain events or conditions "appear to", "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The factors include but are not limited to risks related to the timing and completion of the transactions on the terms described herein (if at all), the Company's relationship with COOMIGASP and/or those seeking to control it, the joint venture operation, actual results of exploration activities, the inherent risks involved in the exploration and development of mineral properties, changes in project parameters as plans continue to be refined, delays in obtaining government approvals, the uncertainties of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, the uncertainties inherent to conducting business in Brazil and the rest of Latin America, the availability of equipment and supplies, unexpected adverse climate conditions, the reliance on only a few key members of management, as well as those factors discussed in the section entitled "Risk Factors" in the Company's most

recent Annual Information Form which has been filed with Canadian provincial securities regulatory authorities and other regulatory filings which are posted on SEDAR at www.sedar.com. Unless required by law, Colossus undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

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