

Colossus Minerals Inc. Announces Court Approval, New Directors and an Update on Serra Pelada

01.05.2014 | [CNW](#)

TORONTO, April 30, 2014 - [Colossus Minerals Inc.](#) ("Colossus" or the "Company") is pleased to announce that it has completed the implementation of the previously announced court-approved proposal and plan of reorganization (the "Plan") filed under the Bankruptcy and Insolvency Act (Canada) (the "BIA"). Colossus has a 75% joint venture interest in the Serra Pelada gold-platinum-palladium mine located in the State of Pará, Brazil ("Serra Pelada").

Effect of the Plan

Under the Plan, the existing common shares of Colossus were consolidated on the basis of 200 to 1 and new common shares (the "New Common Shares") and new warrants (the "New Warrants") were issued to creditors of the Company (the "Creditors") on the basis of one New Common Share for 30% of every one Canadian dollar claim and one New Warrant for 30% of every two Canadian dollars claimed. The Creditors of the Company included, but are not limited to, the former holders of Colossus Convertible Gold Linked Notes, [Sandstorm Gold Ltd.](#) and Sandstorm Metals & Energy Ltd.

The Plan effectively converted all of the Company's outstanding debt, along with extinguishing Sandstorm's metal stream, into equity of the Company. Post-implementation, the Company has 52.6 million common shares outstanding, and a US\$4 million senior convertible note outstanding.

The following table summarizes the approximate share ownership following the recapitalization:

<u>Equity</u>	New Ownership Percentage
Prior public shareholders	1.7%
Noteholders	51.2%
Sandstorm	40.2%
Other creditors	6.9%
Total	100%

Information about the Plan proceedings, including copies of court orders, is available at the following website <http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx>

Board of Directors

The board of directors of Colossus (the "Board") was reconstituted in connection with the implementation of the Plan and is now comprised of three individuals. Tom S. Bruington and John P. A. Budreski were appointed as directors in addition to John W. Frostiak, who will remain as the Chairman of the Board. Set out below are biographies of the directors of the Company:

- John W. Frostiak: Mr. Frostiak was a Corporate Project Manager with [Barrick Gold Corp.](#), where he oversaw the Kabanga Ni project, the Barrick Development System and capital project risk assessment. In previously held positions at Barrick, Mr. Frostiak was responsible for the development of the process plant and surface facilities for the Pierina mine in Peru, the Bulyanhulu mine in Tanzania, and the Cowal mine in Australia. In addition to his service on the Colossus Board, Mr. Frostiak is director of Gowest Gold. He is a registered professional engineer in the province of Ontario and a member of the Canadian Institute of Mining Metallurgy and Petroleum and the Society of Mining, Metallurgy and Exploration Inc.
- Tom S. Bruington: Mr. Bruington is the Executive Vice President, Project Evaluation at [Sandstorm Gold Ltd.](#) prior to which he spent more than twelve years at the International Finance Corporation ("IFC") where he was employed as Chief Engineer/Industry Specialist for the mining division of the oil, gas, mining and

chemicals department. In that role, Mr. Bruington was responsible for business development, technical appraisal, and operational supervision of the IFC's resource investments, completing more than 100 project appraisals in over 60 countries. Prior to the IFC, Mr. Bruington spent 20 years with a number of resource companies and was involved in mine design, construction and operations at projects in Australia, South Africa, South America and the U.S.A. Mr. Bruington is a Registered Professional Engineer and holds a Bachelor of Science in Mining Engineering, a Bachelor of Science in Petroleum Engineering, and a Master of Science in Mineral Economics, all from the Colorado School of Mines.

- John P.A. Budreski: Mr. Budreski is the President and CEO of [Morien Resources Corp.](#), a company focused on the development of a coal asset in Eastern Canada. Mr. Budreski has over 25 years of experience in the resource and resource financing industries, most recently as a Vice Chairman of Cormark Securities Inc. and prior to that, President and CEO of Orion Securities Inc. Mr. Budreski holds a Bachelor of Engineering from Dalhousie / TUNS University and an MBA from the University of Calgary. Mr. Budreski is also a director of [Sandstorm Gold Ltd.](#), [Alaris Royalty Corp.](#), and the Chairman of [Delta Gold Corp.](#).

Serra Pelada Update

Colossus was recently notified of a legal challenge by Cooperativa de Mineração dos Garimpeiros de Serra Pelada ("COOMIGASP") challenging the validity of the partnership agreement between the Company and COOMIGASP. In connection with the legal challenge, a legislative bill is before the Congress of Brazil contemplating the expropriation of the Serra Pelada mineral concessions from the Company. Further, COOMIGASP has requested an injunction to alter the Company's program for care and maintenance operations. Colossus strongly believes that, after the signing of the original partnership agreement, the signing of four amendments to this agreement, the certification of the partnership contracts by the Ministry of Mines and fulfillment by the Company of all of its obligations, both the legal challenge by COOMIGASP and the legislative bill before Congress do not have any merit.

Over the past few weeks, representatives of Colossus have had several meetings with COOMIGASP and the dialogue has been productive. Although these legal challenges by COOMIGASP and legislative actions are intended to aid and facilitate in the development of Serra Pelada, Colossus is of the firm view that these actions are highly contrary and in fact inhibit the development of Serra Pelada.

Colossus has contacted several investor groups for additional funding and discussions are still ongoing. However, the existence of the current COOMIGASP legal challenge has estopped the Company's ability to raise capital from investors. Accordingly, without reasonable access to capital, the Board of Colossus has made a decision to place Serra Pelada on a care and maintenance schedule; all mine operations and expenditures will be halted. Upon swift resolution of the COOMIGASP legal challenge and legislative bill issues, Colossus looks forward to re-starting normal mine operations and continuing with Serra Pelada mine development activities.

Temporary Cease Trade Order

A Temporary Cease Trade Order has been issued by the Ontario Securities Commission on April 29, 2013 against the Company for failing continuous disclosure requirements as required by Ontario securities law. Management is working to correct the disclosure requirements so trading may continue.

Cautionary Statement Regarding Forward-Looking Information

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.

Contact

[Colossus Minerals Inc.](#)

info@colossusminerals.com

Dieser Artikel stammt von [Minenportal.de](#)

Die URL für diesen Artikel lautet:

<https://www.minenportal.de/artikel/127659--Colossus-Minerals-Inc.-Announces-Court-Approval-New-Directors-and-an-Update-on-Serra-Pelada.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Minenportal.de 2007-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinen](#).