Delrand Resources Ltd. - Provides Corporate Update

19.12.2015 | Marketwire

TORONTO, Dec 18, 2015 - Delrand Resources Ltd. ("Delrand" or the "Company") (NEX:DRN.H) (JSE:DRN) announces that Delrand and its largest creditor (the "Creditor") have agreed to settle indebtedness of Cdn$1,300,000 pursuant to the issuance by Delrand to the Creditor of an unsecured debenture (the "Debenture") in the principal amount of Cdn$1,300,000 (the "Principal"). The Debenture has a maturity date (the "Maturity Date") of 30 months from the date of issue of the Debenture. Interest on the Principal outstanding from time to time will accrue at an interest rate of 2.5% and will be payable by Delrand on the Maturity Date. The Principal (and all interest accrued and unpaid thereon) will be due and payable on the Maturity Date, provided, however, that Delrand may prepay the Principal and accrued interest earlier, without penalty, at its discretion.

The terms of the Debenture also provide that (a) the holder thereof shall have the option to convert the outstanding Principal into common shares of Delrand at a price of Cdn$0.25 per share (subject to adjustment in accordance with the terms of the Debenture for events such as a share consolidation) (the "Conversion Price"), and (b) within 30 days of the Maturity Date, Delrand may elect to repay the outstanding Principal in common shares of Delrand at the Conversion Price, provided that the 5 day per share volume-weighted average trading price of Delrand's shares at that time is at least Cdn$0.25 (subject to adjustment in accordance with the terms of the Debenture for events such as a share consolidation). The issuance of the Debenture is conditional on Delrand obtaining TSX Venture Exchange (NEX) approval of such issuance.

Arnold T. Kondrat ("Kondrat"), who is Chief Executive Officer and a director of the Company, has entered into a call option agreement with the Creditor pursuant to which Kondrat shall have the right to require the Creditor to sell to Kondrat all or a portion of the Debenture for a purchase price payable of Cdn$1.00 for each Cdn$1.00 of Principal purchased.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact

Delrand Resources Ltd.
Arnold T. Kondrat, CEO
(416) 366-2221 or 1-800-714-7938