

Ceylon Graphite Corp

10:09 06 Aug 2020

Ceylon Graphite plans to raise up to C\$8.1M to advance its Sri Lankan mining assets

Ceylon Graphite Corp (CVE:CYL) (OTCMKTS:CYLUF) unveiled plans to raise up to C\$8.1 million (US\$6 million) through a private placing of units with a consortium of four international investors to advance its mining assets in Sri Lanka.

"In these very turbulent and uncertain times with the COVID-19 pandemic and our previously devolved offering, we are pleased that the international investor community continues to view Ceylon Graphite as an attractive investment opportunity," said Bharat Parashar, chief executive officer in a statement.

READ: Ceylon Graphite sells more of its high purity graphite, this time in South Korea

"These funds put the company in a very strong cash position for the foreseeable future and will primarily be used for the development of our mining assets in Sri Lanka. In addition to accelerating our production at K1 and completing development work at the M1 site, we will be commissioning new mining sites to ramp up our production substantially," he added.

As the offering will result in the creation of new insiders, shareholder approval is required.

Upon closing, the consortium will collectively own around 55% of the Ceylon Graphite capital, though individually no one subscriber will hold more than 15%. Paul Selvam Devadoss and Anuka BA Soza will join the board as directors.

Each unit will comprise one company share and 0.3073 of a common share purchase warrant, which will entitle the holder to acquire one common share of Ceylon Graphite for three years from issue.

The firm intends to obtain shareholder approval by written consent from holders of more than 50% of the shares in the capital of the company.

Closing is conditional on the receipt of the approval of the TSX Venture Exchange and is anticipated to occur on or before September 7.

Contact the author at giles@proactiveinvestors.com

Price: 0.17

Market Cap: \$16.92 m

1 Year Share Price Graph



Share Information

Code: CYL

Listing: TSX-V

52 week	High	Low
	0.2	0.055

Sector: General mining & base metals

Website: www.ceylongraphite.com

Company Synopsis:

Ceylon Graphite is a public company listed on the TSX Venture Exchange (CYL:TSX-V) currently exploring and developing graphite mines in historic resource jurisdictions in Sri Lanka. It holds a land package constituting 121 km² grids containing historic vein graphite deposits. These unique and comparatively higher margin vein (lump) deposits currently make-up less than 1% of the world graphite production.

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