

Battle North Gold Signs Commitment Letter for a US\$40 Million Credit Facility to Fully Fund the Development of the Bateman Gold Project

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TORONTO, Dec. 22, 2020 - [Battle North Gold Corp.](#) (TSX: BNAU) (OTCQX: BNAUF) ("Battle North" or the "Company") pleased to announce that it has executed a binding commitment letter (the "Commitment Letter") with Macquarie Bank ("Macquarie") for a senior secured term loan facility of US\$40 million ("Credit Facility") to be used to fund the construction of the 100%-owned, shovel-ready Bateman Gold Project (the "Project")^[1] in Red Lake, Ontario, Canada. The proceeds of the Facility, together with cash currently on the Company's balance sheet, is expected to fully fund the Project to Commercial Production.

Macquarie has completed the necessary credit approval process to issue the Commitment Letter. However, the Credit Facility remains subject to certain customary conditions precedent and to negotiation and execution of customary definitive documentation, including a credit agreement and related security documents, which the Company and Macquarie anticipate will be completed by end of the first quarter of 2021.

The Company's Board of Directors has granted preliminary approval for certain critical-path Initial Capital expenditures (including portal construction and ramp development from surface, ammonia treatment plant construction, tailings management facility upgrades, and camp upgrades) not to exceed C\$13 million of the C\$109 million Initial Capital cost of the Project¹. Full development of the Project, including the balance of the Initial Capital cost of the Project, remains subject to further approval by the Company's Board of Directors following completion of the Credit Facility.

On or about December 24, 2020, the Company plans to fully repay its existing approximate C\$15 million Loan Facility with Sprott Private Resource Lending (Collector), L.P. ("Sprott Loan Facility")

CEO Comment

Battle North President and Chief Executive Officer George Ogilvie, P.Eng., stated, "Today's announcement is a major milestone for the Company and for the community of Red Lake. The Credit Facility, along with our existing cash balance, are expected to provide us with all the funding we require to complete the construction of the Bateman Gold Project. We believe 2021 will be a transformational year for the Company as we look, subject to Board approval, to complete construction and realize first production from the Bateman Gold Mine¹. Along with our Red Lake Regional Exploration and String of Pearls drilling programs throughout 2021, it should make for an exciting year."

"The Company is pleased to welcome Macquarie, a recognized global project finance bank in the mining sector as one of our key stakeholders. We would also like to thank our advisors, Cutfield Freeman & Co. (Financial Advisor) and Cassels Brock Blackwell LLP (Legal Counsel), for their valuable input throughout this process."

Macquarie Credit Facility

Per the Commitment Letter, key terms and conditions of the Credit Facility include:

- Facility Amount: US\$40 million.
- Term: 5 years, ending March 31, 2026.
- Mandatory Equity Contribution: Prior to any drawdown above the first US\$5 million, the Company will have to spend US\$5 million on the Project (excluding any Corporate and/or exploration costs).
- Repayment Schedule: Quarterly, beginning March 31, 2023, which includes a 24-month grace period until Project Commercial Completion².
- Annual Interest Rate:

- ● Before Project Completion: US\$ LIBOR + 5.25%.
- ● After Project Completion: US\$ LIBOR + 4.25%.
- ● US\$ 3-Month LIBOR rate is currently 0.24% (as at December 18, 2020).
- Fees:
- ● Arranging Fee 2.00%.
- ● Commitment Fee 1.50% per annum on the Facility Amount that is committed and remains undrawn.
- ● 2.5 million warrants for the purchase of Battle North common shares with an exercise price at a 30% premium to the 5-day VWAP as of December 21, 2020 and a term of two years, subject to customary regulatory approval.
- Gold Hedge: 45,000 ounces over the Life of the Mine based on market rates with a minimum achieved gold price of US\$1,750/oz maturing pro rata to the repayment schedule. The Company has the ability to reduce the hedge on a pro rata basis if voluntary prepayments on the Credit Facility are made.
- Voluntary Prepayment: The Credit Facility can be prepaid, in whole or in part, at any time during its term, without penalty, subject to customary associated costs.

The Credit Facility is subject to additional terms and conditions and the execution of definitive documentation which the Company expects to occur by end of the first quarter of 2021.

Repayment of the Sprott Loan Facility

On or about December 24, 2020, Battle North intends to repay the entire outstanding principal, accrued interest and interest premium outstanding under the Sprott Loan Facility, resulting in a cash outlay of approximately C\$15.0 million.

Advisors

In connection with the Credit Facility, Battle North received independent advisory from Cutfield Freeman & Co. and Cassels & Blackwell LLP acted as legal counsel.

About Battle North Gold Minerals Corporation

Battle North is a Canadian gold mine developer led by an accomplished management team with successful underground mine operations, finance, and capital markets experience. Battle North owns the significantly de-risked and shovel-ready Bateman Gold Project, located in the renowned Red Lake gold district in Ontario, Canada and controls the strategic and largest exploration ground in the district. Battle North also owns a large gold exploration land package on the Long Canyon trend near the Nevada-Utah border in the United States. Battle North's shares are listed on the Toronto Stock Exchange and the OTCQX markets (BNAUF). For more information, please visit our website at www.battlenorthgold.com.

[Battle North Gold Corp.](#)

George Ogilvie, P.Eng.
President, CEO, and Director

¹ For more information on the Project, including capital requirements and production profile, see the Technical Report for the Project dated December 1, 2020 (the "Project Technical Report"), available under the Company's profile at www.sedar.com and on the Company's website at www.battlenorthgold.com.

Project Completion will be confirmed by an Independent Engineer and will certify certain criteria including:

- Ore Reserve Model is reconciling > 85% on tonnes, grade, and ounces
- Average Ore mining and processing rate >900 tpd over 90 consecutive days
- Total gold production >12,000 ounces over 90 consecutive days
- Operating costs < 120% of forecast

Cautionary Statements regarding Forward-Looking Statements

All statements, other than statements of historical fact, contained or incorporated by reference in this news release constitute "forward-looking statements" and "forward looking information" (collectively, "forward-looking statements") within the meaning of applicable Canadian and United States securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipate", "appear", "assumptions", "believe", "contingencies", "development", "estimate", "expect", "exploration", "factors", "forward", "future", "initial", "may", "model", "path", "plan", "potential", "preliminary", "program", "project", "prospect", "risk", "shovel-ready", "strategic", "subject to", "trend", "uncertainties" and "will", or variations of such words, and similar such words, expressions or statements that certain actions, events or results can, may, should or might (or not) be achieved, occur, provide or result in the future. In some cases, forward-looking information may be stated in the present tense, such as in respect of current matters that may be continuing, or that may have a future impact or effect. Forward-looking statements include statements regarding the Credit Facility including its terms and conditions, the anticipated timing for negotiation and execution of definitive documentation and resulting closing; the Project including its development and construction and the timing thereof, first production (including timing thereof) and funding requirements; future availability of cash currently on the Company's balance sheet; the sufficiency of the proceeds of the Credit Facility, together with cash currently on the Company's balance sheet, to fund the Project to Commercial Production (including development and construction) and the ability to otherwise do so; timing of the repayment of the Sprott Loan Facility; and the Red Lake Regional Exploration and Development of Pearls drilling programs.

Forward-looking statements are based on assumptions, estimates, expectations and opinions, which are considered reasonable and represent best judgment based on available facts, as of the date such statements are made. If such assumptions, estimates, expectations and opinions prove to be incorrect, actual and future results may be materially different than expressed or implied by the forward-looking statements. The assumptions, estimates, expectations and opinions referenced, contained or incorporated by reference in this news release which may prove to be incorrect include those set forth herein and the technical report entitled "National Instrument (NI) 43-101 Technical Report for the F2 Gold Deposit of the Bateman Gold Project Feasibility Study, Battle Lake, Cochenour, Ontario", dated December 1, 2020 (the "Project Technical Report") as well as: (1) negotiation and execution of definitive documentation for the Credit Facility and all associated documentation being completed as expected; (2) no material adverse change or effect upon the business, assets, operations, properties or financial condition of the Company, its affiliates or the Project; (3) permitting, exploration and development at the Project being consistent with the Company's current expectations including the maintenance of existing permits, licenses and other approvals and the timely receipt of other permits, licenses and other approvals necessary from time to time; (4) political and legal developments being consistent with its current expectations; (5) the completion of necessary work, evaluations and studies on the timelines currently expected (notwithstanding the uncertainties, contingencies and other factors described below including COVID-19) and the results being consistent with the Company's current expectations; (6) the exchange rate between the Canadian dollar (C\$) and the U.S. dollar (US\$) being approximately consistent with current expectations; (7) price assumptions for gold; (8) the accuracy of the Company's internal models (including base case financial model for the Project); (9) continuing amenable relations with key stakeholders in the local communities and First Nations; and (10) the Company's ability to meet current and future debt obligations, and to obtain future financings to raise additional capital as and when needed to fund development of the Project or otherwise.

Forward-looking statements are inherently subject to known and unknown risks, uncertainties, contingencies and other factors which may cause the actual results, performance or achievements of Battle North to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks, uncertainties, contingencies and other factors include, among others: risk of non-completion of the Credit Facility including in the event of occurrence of material adverse events or the inability of the Company to meet certain conditions; adjustments to the base financial model for the Project and implications thereof (including with respect to or under the terms of the Credit Facility); sufficiency of the proceeds of the Credit Facility, together with cash currently on the Company's balance sheet, to fund the Project to Commercial Production; delays in obtaining applicable regulatory approvals and any third party consents or contracts to be required; uncertainties inherent to mining and economic studies, including the feasibility study for the Project; uncertainties with respect to the development, construction and commissioning of new mineral projects including unexpected delays and unforeseen additional costs; gold price fluctuations; possible variations in mineralization, grade or recovery or throughput; uncertainty of Mineral Resource estimates; inability to realize exploration potential, mineral grades and mineral recovery estimates; actual results of exploration activities including their impact; delays in completion of exploration and other drilling plans, and any modelling or studies, for any reason including insufficient capital and other risks, uncertainties, contingencies and factors identified herein; labour issues at the Company or third parties, such as government and regulatory agencies, service providers, including labour shortages and/or work curtailments or stoppages as may result from COVID-19; conclusions of economic, geological or structural evaluations and models including those reflected in Mineral Resource estimates; changes in Project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated; accidents and other risks of the mining industry; delays and other risks related to operations; the ability to obtain and maintain permits and other regulatory approvals (as well as the timing and terms thereof) and to comply with such permits, approvals and other applicable regulatory requirements; the ability of Battle North to comply with its obligations under material agreements including its current loan facility and other financing agreements; the availability of financing for proposed programs and projects on reasonable terms and in a timely manner; the ability to meet, repay, or refinance, or replace, or renegotiate current and future debt obligations on reasonable terms and in a timely manner including the current loan facility; closure and reclamation surety bond; the ability of third-party service providers and other suppliers to deliver on reasonable terms and in a timely manner; risks associated with the ability to retain key executives and key operating personnel; cost of

environmental expenditures and potential environmental liabilities; relations with local communities including First Nations; cost of plant, equipment or processes to operate as anticipated; cost of supplies; market conditions and general business, economic, competitive, political and social conditions; our ability to generate sufficient cash flow from operations or obtain adequate financing to fund our capital expenditures and working capital needs and meet our other obligations; the volatility of the Company's share price, and the ability of our common shares to remain listed and traded on the TSX; epidemics, pandemics and other public health crises, including COVID-19 or similar such viruses; and the "Risk Factors" in the Company's annual information form dated March 27, 2020 ("2020 AIF") as well as the risks, uncertainties, contingencies and other factors discussed in the Project Technical Report and the Company's Management's Discussion and Analysis for the three quarters ended December 31, 2020 (collectively, the "2020 MD&A") and accompanying financial statements, all of which are available under the Company's SEDAR profile at www.sedar.com and on its website at www.battlenorthgold.com. The foregoing list of risks, uncertainties, contingencies and other factors is not exhaustive; readers should consult the more complete discussion of the Company's business, financial condition and prospects that is provided in the 2020 AIF and the other aforementioned documents.

The forward-looking statements referenced or contained herein are expressly qualified by these Cautionary Statements and the Cautionary Statements in the 2020 AIF, the Project Technical Report and the 2020 MD&A (and accompanying financial statements). Forward-looking statements contained herein are made as of the date of this news release (or as otherwise expressly specified) and Battle North disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable laws.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this information.

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