

Elgin Mining Announces Private Placement Offering and Bridge Loan Facility

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 27, 2013) - **Elgin Mining Inc. ("Elgin Mining" or the "Company") (TSX:ELG)(TSX:ELG.WT)** today announced an offering of up to 24,600,000 units of Elgin Mining ("Units") at a price of \$0.12 per Unit for aggregate gross proceeds of up to \$2,952,000 (the "Offering"). Each Unit consists of one common share of Elgin Mining (a "Common Share") and one-half of one warrant (a "Warrant"). Each whole warrant is exercisable into one Common Share at a price of \$0.20 for a period of two years from the date of issuance. Of the Offering, \$2.0 million will be purchased by a single strategic investor and a further \$590,000 by Resolute Funds Limited, the Company's largest shareholder. All securities issued will be subject to a four month hold period. The expiry date of the warrants may be accelerated by the Company if the shares of the Company trade at \$0.30 or greater for 20 consecutive trading days. The proceeds will be used for working capital and general and administrative purposes.

The offering is subject to a number of conditions, including, without limitation, receipt of all regulatory approvals. The Company may pay a finders' fee in connection with a portion of the Offering.

These securities being offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from registration requirements. This release does not constitute an offer for sale of securities in the United States.

Bridge Loan Facility

The Company is also pleased to announce that it has agreed to enter into a bridge loan credit facility (the "Facility") with Sprott Resource Lending Partnership ("SRLP").

The Facility shall be for the principal amount of \$5 million at an interest rate of 10 percent per annum, compounded monthly. The proceeds of the Facility will be applied to the development of the Bjorkdal Mine and for working capital and general and administrative purposes.

The term of the Facility is eighteen months, at which time the Facility will be due and payable in full. In consideration for the advance of the Facility, the Company will make a bonus payment to SRLP in the amount of \$350,000 (the "Bonus"), being 7% of principal amount, payable in shares at a deemed price equal to \$0.12 per share. In consideration for the structuring and syndication of the Facility, the Company will pay to the Lender a structuring fee of \$50,000, payable in cash concurrently with the execution and delivery of this Term Sheet. One of the conditions precedent to the advance of the Facility is the completion of the Offering referred to above.

Commenting on the above, Patrick Downey, President and CEO, stated, "This financing and bridge loan facility provides Elgin Mining with the liquidity and flexibility to continue its business plan in a volatile gold market environment."

[Elgin Mining Inc.](#)

Elgin Mining is a Canadian-based company focused on production at the Björkdal gold mine in Sweden. In addition, Elgin Mining's portfolio includes the Lupin and Ulu gold projects located in Nunavut, Canada.

For further information, please visit the Company's website at www.elginmining.com.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Except for statements of historical fact relating to the Company, information contained herein constitutes forward-looking statements, including any information as to the Company's strategy, plans or future financial or operating performance. Forward-looking statements are characterized by words such as "plan," "expect", "budget", "target", "project", "intend," "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking statements.

These factors include risks relating to variations in the mineral content within the material identified as mineral reserves and mineral resources from that predicted, changes in development or mining plans due to changes in logistical, technical or other factors, the impact of general business and economic conditions, global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future conditions, fluctuating metal prices and currency exchange rates, possible variations in ore grade or recovery rates, changes in accounting policies, changes in the Company's corporate resources, changes in project parameters as plans continue to be refined, changes in project development and production time frames, the possibility of project cost overruns or unanticipated costs and expenses, higher prices for fuel, steel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, unexpected changes in mine life, unanticipated results of future studies, seasonality and unanticipated weather changes, costs and timing of the development of new deposits, success of exploration activities, successful completion of proposed acquisitions, permitting time lines, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation and labour disputes as well as those risk factors discussed or referred to in the Company's Annual Information Form dated March 22, 2013, a copy of which is filed on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable law. The reader is cautioned not to place undue reliance on forward-looking statements. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the exploration and development plans and objectives and may not be appropriate for other purposes.

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