Barkerville Gold Mines Ltd. Closes $15 Million Gold Loan Facility and Common Shares Are Expected to be Reinstated for Trading on the TSX-V

09.10.2013 | Marketwired

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Oct 9, 2013) - Barkerville Gold Mines Ltd. (TSX VENTURE:BGM)(FRANKFURT:IWUB) ("**Barkerville**" or the "**Company**") is pleased to announce that the Company and its subsidiaries have entered into a $15 million gold loan facility (the "**Facility**") with 2176423 Ontario Limited (the "**Lender**"); which the Company is informed is controlled by Eric Sprott, pursuant to the terms and conditions of a credit agreement dated October 8, 2013 (the "**Credit Agreement**").

The Facility was advanced by the Lender on October 8, 2013 in a single advance of $15 million in accordance with the terms of the Credit Agreement, which funds are held in escrow until the Company's common shares are reinstated for trading on the TSX Venture Exchange (the "**TSX-V**"), which is expected to occur on October 9, 2013.

The Company will use the proceeds of the Facility to pay existing trade payables, to repay its recent bridge loan of $1.5 million and for the payment of operating expenses on a going forward basis.

The Facility is guaranteed by the Company's subsidiaries (together with the Company, the "**Credit Parties**") and secured by first ranking security over all of the Credit Parties' present and future assets and a pledge of the shares of the Company's subsidiaries (the "**Security**").

The Facility is due and payable by way of three cash payments on each of July 31, 2014, May 31, 2015 and March 31, 2016 (each a "**Repayment Date**") and the Company may not voluntarily prepay the Facility at any time prior to maturity without the Lender's prior written consent. However, the Company may at any time prepay all or any part of the Facility using a reference price of US$1,600 per ounce of gold. The Facility does not bear interest.

The cash payments to be made on each Repayment Date are based each time on what would be the notional value of 4,166.67 ounces of gold to be deliverable on each such Repayment Date (being 12,500 ounces over the term of the Facility) and priced at the then Bloomberg composite closing value of gold (ticker: GLD) at 4 p.m. on the day prior to each particular Repayment Date over the term of the Facility (in each instance the "**Gold Price**"; and the notional value being repaid in cash each time being the "**Repayment Amount**" in each instance). If the then current Gold Price is less than US$1,200 per ounce on a particular Repayment Date, then the Company's corresponding Repayment Amount shall be determined using a reference price of US$1,200 per ounce. If the then current Gold Price is above US$1,600 per ounce on a particular Repayment Date, then the Company's corresponding Repayment Amount shall be determined using a reference price of US$1,600 per ounce. Notwithstanding the foregoing, the Company will guarantee a minimum rate of return to the Lender of 10% per annum on the aggregate principal amount of the Facility over the life of the Facility. The minimum rate of return shall be calculated on the date on which the Facility is repaid in full and shall exclude the structuring fee of $150,000 payable to the Lender, the Bonus Warrants (as defined below) issued to the Lender and any delay payments payable to the Lender. In the event that any Repayment Amount payment above is delayed, an additional cash payment of 2.5% per month will be due on the first business day of each month thereafter for each missed payment until the Repayment Amount has been made. The additional cash payment will be calculated by multiplying the dollar amount of the gold equivalent deliverable at that time by 2.5%.

Following the closing date, and except with the prior written approval of the Lender, if the Borrower disposes of any assets outside the ordinary course of business for cash proceeds, or closes one or more debt financings (excluding intercompany financings between Credit Parties), in either case in excess of $250,000, the Credit Parties will pay the proceeds from such sale or financing, net of reasonable selling or financing costs, up to the Prepayment Amount (as defined below) to the Lender to be applied against future payment amounts then coming due in reverse order starting with the final repayment under the Facility. The Prepayment Amount is to be an amount equal to the number of equivalent ounces of gold remaining to be paid multiplied by the greater of (i) US$1,200 per ounce and (ii) the lesser of (A) US$1,600 per ounce and (B) the average closing spot price of gold for the 10 business days immediately preceding the payment of the Prepayment Amount. In addition, upon the occurrence of a change of control of the Borrower, the Facility shall become immediately payable, in full, by way of prepayment of the Prepayment Amount.

In consideration for the advance of the Facility, the Company has made a bonus payment to the Lender in the amount of 9,000,000 non-transferable share purchase warrants of the Company (each a "**Bonus Warrant**"). The Bonus Warrants will be exercisable for 30 months and will be exercisable at the price which is the greater of (i) $0.50 and (ii) a 20% premium to the volume weighted average trading price of the Company's common shares on the TSX-V for the five trading day period commencing on the sixth trading day after the Company's common shares are reinstated for trading (the "**Exercise Price**"). The Bonus Warrants shall be subject to a maximum hold period under applicable securities laws of four months and one day from their date of issue. After reinstatement for trading of the Company's common shares, and in the event that the volume weighted average trading price of the Company's common shares on the TSX-V for a period of 10 consecutive trading days is at a 50% premium to the Exercise Price (the "**Warrant Exercise Trigger**"), the Company may require the Lender to exercise $5,000,000 worth of the Bonus Warrants (the "**Forced Warrant Exercise**") within 10 calendar days of the date the Company provides written notice (the "**Forced Warrant Exercise Notice**") to the Lender, which Forced Warrant Exercise Notice shall be within three business days of the Warrant Exercise Trigger occurring. Furthermore, in consideration for structuring the Facility, the Company has agreed to pay the Lender a $150,000 structuring fee together with the Lender's reasonable legal and other out-of-pocket expenses incurred in connection with the Facility.

A third party finder's fee of 2.0% in cash will be paid from the proceeds of the Facility and 360,000 non-transferable finder's warrants (each a "**Finder's Warrant**") have been or will be issued by the Company pursuant to the closing of the Facility. The Finder's Warrants will have the same terms as the Bonus Warrants, however, upon the Warrant Exercise Trigger occurring, the Company may require the holder of the Finder's Warrants to exercise 50% of the Finder's Warrants within 10 calendar days of the Forced Warrant Exercise Notice otherwise all unexercised Finder's Warrants forming part of the 50% Forced Warrant Exercise requirement will be deemed to have thereby expired. The Finder's Warrants shall also be subject to a maximum hold period under applicable securities laws of four months and one day from their date of issue.

Reinstatement for trading on the TSX-V

The Company previously made a formal application to the TSX-V to have its common shares reinstated for trading and the Company expects the TSX-V will reinstate the trading of such common shares on October 9, 2013.

J. Frank Callaghan, President and CEO

About Barkerville Gold Mines Ltd.

Since the mid-1990s the Company has focused on exploration and development of gold projects in the Cariboo Mining District in central B.C. The Company's mineral tenures cover 1,164 km^2 along a strike length of 60 km and approximate width of 20 km, including the Cariboo Gold Project, the Bonanza Ledge Gold Project, the Barkerville Mountain and Island Mountain exploration targets and seven past producing hard rock mines. The QR Property was acquired in February 2010 and includes a 900 tonne/day gold milling facility and a permitted gold mine located approximately 110 km by highway and all-weather road from the Barkerville Gold Camp. The Company began pouring doré gold in September 2010, continued until December 2011, and resumed in January 2013. In November 2010, the Company acquired a second permitted mill currently on care and maintenance in Revelstoke, B.C. The Company has completed significant drilling and exploration programs and, together with the historical data, is compiling all information to determine the geologic models and updated technical reports to continue with exploration and development of the Cariboo Gold projects. This news release has been prepared on behalf of the Board of Directors of the Company which takes full responsibility for its contents.

Cautionary Statement on Forward-Looking Information

Certain information in this news release is forward-looking within the meaning of certain securities laws, and is subject to important risks, uncertainties and assumptions. This forward-looking information includes, among other things, information with respect to the Company's beliefs, plans, expectations, anticipations, estimates and intentions, including the listing and trading of the Company's common shares on the TSXV. The words "may", "could", "should", "would", "suspect", "outlook", "believe", "anticipate", "estimate", "expect", "intend", "plan", "target" and similar words and expressions are used to identify forward-looking information. The forward-looking information in this news release describes the Company's expectations as of the date of this news release.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. Material factors which could cause actual results or events to differ materially from such forward- looking information include, among others, the Company's ability to engage and retain qualified key personnel, employees and affiliates, to obtain capital and credit and to protect its property rights.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME.

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

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