

Scorpio Gold Signs LOI to Sell Pinon Properties to Gold Standard Ventures

29.01.2014 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan 29, 2014) - [Scorpio Gold Corp.](#) ("Scorpio Gold" or the "Company") (TSX VENTURE:SGN) reports today that it has signed a binding letter of intent ("LOI") and received a CAD\$250,000 non-refundable deposit (the "Deposit") for the sale of certain mining interests (the "Pinon Properties") to an affiliate of [Gold Standard Ventures Corp.](#) ("Gold Standard"). The Pinon Properties are located in Elko County, Nevada at the southern end of the prolific Carlin Trend.

Transaction Highlights

- Gold Standard agrees to pay Scorpio Gold a total of CAD\$8,500,000 in cash and issue Scorpio Gold 5,500,000 common shares in its capital stock
- Of the cash consideration, CAD\$6,000,000 is to be paid at closing (inclusive of the Deposit), and CAD \$2,500,000 is to be paid one year after closing

The completion of the transaction is subject to due diligence, formal documentation, regulatory approvals, final consent of the Company's lender and Gold Standard completing an equity financing of at least \$8,000,000 prior to closing. The LOI provides for bonus consideration to be paid to the Company if certain levels of mineral resources are established on the property or if the property or Gold Standard are sold for certain minimum amounts. The LOI also provides that if the full transaction is not completed, the Company will still sell its interests in two mineral leases adjacent to the Pinon property, for CAD\$1,000,000 cash (inclusive of the Deposit).

Peter J. Hawley, CEO comments: "This transaction works extremely well for both companies. Speaking for Scorpio Gold, the combination of cash, stock and bonus consideration provides the Company and its shareholders with significant immediate and long term benefits from a non-core asset. Given today's market we feel that it makes more sense to concentrate our efforts and financial resources on expanded exploration and development at our producing Mineral Ridge gold mine and the advanced stage Goldwedge project. The value of the full transaction to Scorpio Gold exclusive of the bonus consideration is approximately \$0.11 cents per share, which is felt to be very accretive to the shareholders of the Company given that the market was giving Scorpio Gold little to no value for the Pinon asset."

About the Pinon Properties

The Pinon Properties are located approximately 50 kilometres south of Elko, Nevada at the southern end of the prolific Carlin Trend. The lands include 192 unpatented mining claims (over 1,600 hectares) and several private lease agreements (minerals and surface). Previous explorers include Newmont, Cyprus-Amax, Crown Resources and Royal Standard Minerals in joint-venture with Cameco.

Over 350 reverse circulation and diamond drill holes on the property outline a near surface oxide gold deposit as well as a deeper collapsed breccia target.

Scorpio Gold, indirectly through certain subsidiaries and affiliates, owns certain unpatented mining claims and controls fee lands and/or mineral interests in Township 30 North, Range 53 East, MDM, Elko County, Nevada referred to as the "Pinon Properties" and further holds two leases in Section 33 of Township 31 North, Range 53 East, MDM, within the boundaries of Gold Standard's Railroad Project.

About Scorpio Gold

Scorpio Gold holds a 70% interest in the Mineral Ridge gold mining operation located in Esmeralda County,

Nevada with joint venture partner Waterton Global Value L.P. (30%), and is currently entitled to receive 80% of cash flow generated. Mineral Ridge is currently in production as a low cost conventional open pit mining and heap leach operation. The Mineral Ridge property is host to multiple gold-bearing structures, veins and lenses at exploration, development and production stages. Scorpio Gold also holds a 100% interest in the advanced exploration-stage Goldwedge property and processing facility in Manhattan, Nevada. The Company is assessing its exploration plans for Goldwedge as well as the potential for toll milling at the Goldwedge plant, which is currently permitted for 400 tons per day.

Scorpio Gold's CEO, Peter J. Hawley, PGeo, is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the content of this release.

ON BEHALF OF THE BOARD SCORPIO GOLD CORPORATION

Peter J. Hawley, CEO

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.

The Company relies on litigation protection for forward-looking statements. This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur, and include, without limitation, statements regarding the Company's plans with respect to the sale of the Pinon Properties, exploration, development and exploitation of its properties. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements, including risks involved in completing complex purchase and sale transactions, risks involved in exploration programs and those risk factors outlined in the Company's Management Discussion and Analysis as filed on SEDAR. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty thereof.

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Die URL für diesen Artikel lautet:

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