

Northern Gold Announces \$5,000,000 Secured Debt Facility and Proposed Share Consolidation

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TORONTO, ONTARIO -- (Marketwired - Aug 27, 2014) - [Northern Gold Mining Inc.](#) (TSX VENTURE:NGM) ("Northern Gold" or the "Company") announces that the Company has signed a term sheet with a third party lender (the "Lender") for a \$5,000,000 senior secured debt facility (the "Facility"). The Facility will be drawn in one advance of \$5,000,000 (the "Principal Amount") on the effective date, currently scheduled to be September 9, 2014 (the "Effective Date"). The Principal Amount shall accrue interest at a rate of 10% per annum. The Facility matures on the earlier of: (a) the date that is twelve (12) months following the Effective Date and (b) the date all amounts owing under the Facility are voluntarily or mandatorily prepaid (as applicable) in full by the Company to the Lender in accordance with the credit agreement pertaining to the Facility. The Facility is secured against certain assets including the Company's Golden Bear Project located east of Timmins, Ontario (the "Golden Bear Project").

A structuring fee equal to 2% of the Principal Amount shall be payable, in cash, by the Company to Lender on the Effective Date. In addition, on the Effective Date, the Company shall issue to the Lender 25,000,000 warrants (the "Warrants"), with each Warrant entitling Lender to acquire one (1) common share in the capital of the Company. The Warrants shall be exercisable at a strike price equal to 200% of the closing price on the TSX Venture Exchange of the Company's common shares on the Effective Date, where the strike price of the Warrants shall not exceed \$0.08 per common share. All Warrants shall expire on the date that is three (3) years after their issuance date.

Closing of the Facility shall be conditional upon due diligence, receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange.

Lender is entitled, in certain circumstances, to a payment from the Company of: (a) certain costs associated with due diligence up to \$75,000; and (b) a break fee payable in cash equal to 3% of the Principal Amount.

A material change report in connection with the Facility will be filed less than twenty-one (21) days before the closing of the Facility. This shorter period is reasonable and necessary in the circumstances as the Company wishes to complete the financing in a timely manner.

The Company will use the proceeds of the Facility to primarily provide a bridge loan for the previously announced bulk sample testing at its Garrcon project, and secondarily to satisfy accounts payable, for exploration and development work at its Golden Bear Project and for general working capital purposes. The Company will use the gold credits from the bulk sample program to repay the Facility.

In addition, the Company announces that the Company is seeking to alter its share capital by consolidating all of its issued and outstanding common shares on the basis of twelve (12) old for one (1) new common share (the "Consolidation"), subject to the approval of shareholders of the Company at its annual general and special meeting to be held on September 18, 2014 and the TSX Venture Exchange. As at the date hereof, the Company has 314,918,873 common shares issued and outstanding. After giving effect to the proposed consolidation, the Company will have approximately 26,243,239 common shares issued and outstanding. No fractional shares will be issued. Any fraction of a share resulting from the Consolidation will be rounded down to the nearest whole number.

The Company does not intend to change its name upon completion of the Consolidation and anticipates that its stock symbol will remain the same.

Management of the Company believes that an amendment to the Company's share structure will be favourable to assist in attracting additional equity investment in the Company.

For more information please see the Northern Gold website at www.northerngold.ca.

About Northern Gold

Northern Gold is a TSXV-listed gold company based in Toronto, Ontario. The Company's main focus is the

exploration and development of its prospective mineral properties at the Golden Bear Project in the Larder Lake Mining Division in northeastern Ontario. Northern Gold has a portfolio of advanced exploration projects, including the Jonpol and Garrcon Deposits and the Buffonta Property. Recent transactions, including the amalgamation with [Victory Gold Mines Inc.](#) and acquisition of the Lac Minerals Property add to the Company's regional consolidation strategy along the Destor-Porcupine Fault Zone.

CAUTIONARY STATEMENT: Neither the TSXV 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 news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved of the information contained herein. This news release contains forward-looking information which is not comprised of historical facts. Forward-looking information is characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur and includes information with respect to, among other things, the uses of proceeds from financing activities and the status of regulatory approvals. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information in this news release is based on, among other things, the opinions and assumptions of management considered reasonable as of the date of this news release, such as that all necessary regulatory approvals will be received as and when expected, and financing will continue to be available to the Company on favourable terms or at all. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, delays in obtaining or failures to obtain required regulatory approvals, changes in equity markets, fluctuations in commodity prices, and other risks involved in the mineral exploration and development industry, including those risks set out in Northern Gold's public documents filed on SEDAR. Although Northern Gold believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Northern Gold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

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