

# Standard Tolling signs Binding Letter of Intent to acquire plant located in Huamachuco, Peru

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White Rock, British Columbia (FSCwire) - [Standard Tolling Corp.](#) (TSX-V: TON, Frankfurt: GA0, #8220;Standard Tolling#8221; or the #8220;Company#8221;) is pleased to announce a number of corporate developments.

On September 18, 2014, the Company signed a binding letter of intent (the #8220;LOI#8221;) with Michael Crow Sitton (#8220;Crow#8221;) to purchase a 100% interest in Crow#8217;s indirectly owned 150 ton per day CIL gold processing plant (the #8220;Plant#8221;) located in the department of La Libertad, near the city of Huamachuco in Northern Peru. The acquisition will be fully satisfied through the payment of US\$50,000, the issue of C\$500,000 shares at a deemed post-Consolidation price of C\$0.10 and the assumption of up to US\$1,325,000 debt.

Prior to closing the acquisition of the Plant and the Private Placement, the Company intends to consolidate its shares on a 3:1 basis (the #8220;Consolidation#8221;).

The Company also intends to raise C\$1,500,000 through a non-brokered equity placement (the #8220;Private Placement#8221;).

Leonard Clough, CEO of the Company stated: #8220;Having looked at over 20 deals in the past 9 months, we can assure our shareholders that this was the best asset on the market. This plant will allow Standard Tolling to become the largest gold toll processing company in Northern Peru and due to the creative financing of this acquisition, it gives our investors a great investment opportunity with quick results, avoiding the long time frames normally associated with new plant construction and permits. Additionally, we would like to welcome the Grupo Alta team and its owner, Michael Crow, to Standard Tolling. Mr. Crow will assume the role as President of our Peruvian subsidiary and his IRA trust will become the company#8217;s largest shareholder.#8221;

Michael Crow responded, #8220;I chose Standard Tolling over other options due the shared vision of Len and his team and the outstanding management group he has put together to operate not just one plant, but to build out the business in Peru. A transaction with Standard Tolling provides our company with the needed partner to complete the plant installation, quickly commence toll processing operations, and the platform to facilitate other transactions we are considering. The benefit of being ideally located in Huamachuco and near great gold mining areas like Pataz, is that we will only need to rely on the availability of local ore for all our volume requirements. In addition, we provide a compelling cost benefit and quicker sale/buy to the small miners who currently incur the transport cost and time to transport their ore to other plants, often 1000 km#8217;s away. Our business model of locating close to the gold mining zones, will allow us to process lower grades than our competitors, yet with higher volumes. Our ability to help miners with permits, equipment, loans, and technical assistance gives us long term contracts and steady sources of mineral. With the plant almost fully constructed and awaiting installation, we intend to provide immediate results to our shareholders.#8221;

## Huamachuco Plant, Peru

The objective of the Company is to establish a toll processing business in Peru, in order to capitalize on the lack of compliant ore processing facilities in the country. Under new legislation, the government has not only looked to formalize small and artisanal mining operations but to more closely regulate the processing facilities that buy the ore.

The Plant is approximately 80% complete and it is expected that it can be completed and commissioned for an additional investment of under US\$1,000,000. Permitting for the commissioning of the Plant has begun. The capacity is approximately 150 tons a day. The Plant is built anticipating the upgrade to 350 tons a day with additional tanks and equipment.

On signing the LOI, the Company paid Crow a US\$25,000 deposit. Unless otherwise terminated by either party, this LOI will be replaced with a definitive agreement (the #8220;Agreement#8221;) by November 7, 2014 and closing (#8220;Closing#8221;) by November 27, 2014.

The Company will conclude its due diligence of the Plant by October 18, 2014 (the **Due Diligence Period**) and upon being satisfied with the results of its investigations will then pay Crow a second deposit of US\$25,000.

On Closing, the Company will be required to issue the IRA trust of Crow 5,000,000 post-Consolidated common shares (the **Crow Shares**) of the Company at a deemed value of C\$500,000 and assume up to US\$1,325,000 old debts (the **Old Debt**) attached to the Plant. The Crow Shares will be subject to the escrow release schedule of Value Security Escrow Agreements for Tier 2 Issuers of the TSX Venture Exchange (the **TSXV**). The Old Debt will bear simple interest at an annual rate of 12%, to commence at closing and mature on December 31, 2015. During the Due Diligence Period, Crow and the Company will look to finalize a deal with the Old Debt holders, to allow the Company to issue new additional debt of up to US\$2,000,000 (the **New Debt**) with proceeds to be used to advance the Company's toll milling business and complete the construction and commissioning of the Plant. As a condition, the Old Debt holders will agree to subordinate the Old Debt, for new debt, with the repayment of US\$500,000 of Old Debt. In consideration for this concession, the Company will issue the holders of the Old Debt a total of 150,000 Warrants on the same terms as the Warrant in the Unit to be contained within the Private Placement.

The Company has agreed to pay an arm's length finder, who introduced the Company to this opportunity, a fee of approximately C\$150,000. At the option of the Company, the amount of the fee exceeding C\$100,000 may be paid by the issue of post-Consolidated common shares of the Company at a deemed price of C\$0.10 per common share. The Company will finalize payment terms before closing.

On Closing, Crow will be named as the President of the Company's Peru subsidiary and will be responsible for overseeing Peruvian operations. Mr. Crow has agreed to enter into an employment agreement for a minimum of two years. In addition, Crow, or an alternative nominee of Crow, acceptable to the Company's directors will be appointed as a director of the Company.

### **The Private Placement**

To fund the acquisition of the Plant and the cost to complete its construction and commissioning, as well as general corporate purposes, the Company will undertake a non-brokered private placement of up to 15,000,000 units (a **Unit**) at C\$0.10 per Unit post-Consolidation. Each Unit will comprise one post-Consolidated common share and one common share purchase warrant (a **Warrant**). Each Warrant will entitle the holder the purchase one common share at a purchase price of C\$0.15 for a period of three years following closing. In the event that the volume weighted average trading price of the common shares of the Company trades at or above \$0.30 per share for 15 consecutive trading days in the period commencing four months after the closing date, the Company will have the right to accelerate the expiry date of the Warrants to the date which is 30 days after notice is given to the holders of the Warrants of the accelerated expiry date. The private placement is subject to compliance with applicable securities laws and to receipt of regulatory approval.

The Company reserves the right to increase the size of the private placement or to modify the type, nature and/or price of the Units for any reason, subject to TSXV acceptance.

The Company may pay finder's fees within the allowable limits of the policies of the TSXV.

### **The Consolidation**

The Company intends to seek shareholder approval to consolidate its shares on a 3 old for 1 new basis so that the 33,665,113 common shares that are currently outstanding will be 11,221,704 common shares after the proposed Consolidation. The board of directors of the Company believes that the Consolidation is necessary due to market conditions that have made it challenging to raise capital under the current share structure of the Company.

The shareholder meeting will be held as soon as practicable and a notice will be filed on the Company's profile on [www.sedar.com](http://www.sedar.com) as soon as that date has been determined.

### **Conditions of Closing**

The parties' obligations to complete the Consolidation, the Agreement and finder's fee and the Private Placement are subject to the TSXV approving all elements of these transactions on terms acceptable to the parties, satisfactory results of due diligence and settlement of definitive documentation.

Closing of all the transactions is conditional on closing each of the other transactions.

The Plant acquisition will be classified as a fundamental acquisition under the rules of the TSXV and trading in TON's shares will be halted until TSXV requirements are met.

### **About Standard Tolling Corp.**

Standard Tolling has assembled a well respected operating team with expertise in operating multiple toll processing plants that purchase ore from small miners. Under the progressive new formalization mandate, the Peruvian government has enacted legislation and explicitly encouraged additional compliant ore processing plants. The Company is on its way to establishing its first toll processing facility in Peru.

### **ON BEHALF OF THE BOARD**

&#8220;Len Clough&#8221;  
Mr. Len Clough, Chairman, President, CEO and Director

### **For further information please contact:**

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