

# Avanti Mining Announces US\$50 Million Bridge Financing

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TORONTO, ON -- (Marketwired - November 03, 2014) - [Avanti Mining Inc.](#) (TSX VENTURE: AVT) ("Avanti" or the "Company") and its wholly owned subsidiary Avanti Kitsault Mine Ltd. ("Avanti Kitsault") announce that they have entered into a binding and committed term sheet with Resource Capital Fund VI L.P. ("RCF") for a US\$50 million bridge loan facility (the "Bridge Loan") with proceeds to be used to continue advancing detailed engineering and to support the purchase of long-lead time equipment at the Kitsault Molybdenum Project ("Kitsault" or the "Project").

## Major terms of the Bridge Loan include:

- The Bridge Loan will accrue interest at 12.5% per annum payable on January 31, 2015 in cash;
- Funds will be available for drawdown in five tranches, whereby up to US\$35 million will be available through four separate drawdowns ranging from the date of closing to January 15, 2015, and US\$15 million will be available as a single drawdown (subject to the satisfaction of additional conditions precedent) between November 1, 2014 and January 15, 2015;
- Drawdowns of the Bridge Loan are subject to certain conditions, including completion of satisfactory due diligence, receipt of any required regulatory approvals, and approval by the Company's Board of Directors and RCF of a four month budget pursuant to which the funds will be used;
- RCF will be provided the option, exercisable during the 18 month period following closing, to purchase up to 10% of the molybdenum product or molybdenum concentrate from Kitsault, for a term of 13 years. Should RCF elect not to execute a formal off-take agreement with Avanti, RCF will receive a sliding scale net smelter return royalty for up to 0.20%, based on the prevailing molybdenum price at that time;
- The Bridge Loan will be secured by a first charge on all assets of the Company and certain of its subsidiaries, on a pari passu basis with other existing credit facilities;
- The Bridge Loan will be repayable on the earlier of (i) January 31, 2015 (subject to acceleration upon an event of default), (ii) a direct or indirect sale or joint venture of a material interest, offtake, metal stream or royalty in the Project, or (iii) completion of an equity or other type of financing; and
- RCF will subordinate its security in the Project to any bona fide project financing facility for the Project that is satisfactory to RCF.

In the event that the Company terminates the proposed Bridge Loan, including in the event that it does not obtain any required approvals, the Company has agreed to pay RCF a Termination Fee equal to 1% of the facility amount, or US\$500,000.

Closing of the Bridge Loan is subject to customary conditions precedent, including but not limited to completion of due diligence satisfactory to RCF.

The Bridge Loan was negotiated on an arms' length basis with RCF. The Bridge Loan was considered and approved by the board of directors of the Company, other than the directors of the Company who are also affiliated with RCF, who did not participate in the deliberations and abstained from such approval. There was no materially contrary view or abstention by any director approving the Bridge Loan. It is expected that the closing of the Bridge Loan will occur less than 21 days after the date of this press release, which is reasonable in the circumstances in order to provide the Company with access to the funds on an expedited basis.

RCF is an "insider" (as defined in applicable securities laws) of the Company. Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), the Bridge Loan is considered a "related party transaction." The Bridge Loan is exempt from the requirements to obtain a formal valuation pursuant to the exemption in section 5.5(b) of MI 61-101, as the Company is not listed on a specified market, and is exempt from minority shareholder approval pursuant to section 5.7(f) of MI 61-101, as the Bridge Loan does not have an equity or voting component and is on reasonable commercial terms that are not less advantageous to the Company than if the Bridge Loan were obtained from an arm's length

party.

### **About Kitsault**

Kitsault is located in the Nass Valley area, approximately 140 km north of Prince Rupert, in British Columbia, Canada. Avanti holds a 100% interest in the Project through its wholly owned subsidiary, Avanti Kitsault. Total investment into the Project will be approximately \$1 billion.

Once developed, Kitsault is expected to become one of the largest primary molybdenum producers globally, producing in excess of 11,000 tonnes of molybdenum and 1 million ounces of silver annually, over a 15-year mine life.

### **About Avanti**

Avanti is a TSX-Venture listed company headquartered in Toronto with an operations office in Vancouver. Avanti's strategy to become the unique supplier of steel alloy metals. Cornerstone to this strategy is the development of Kitsault.

For further information, please visit [www.avantimining.com](http://www.avantimining.com).

*Neither the 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.*

*Forward-Looking Statements: This news release contains certain forward-looking information concerning the business of [Avanti Mining Inc.](#) (the "Corporation"). All statements, other than statements of historical fact, included herein including, without limitation, statements related to the completion of the Bridge Loan and the anticipated development of Kitsault are forward-looking statements. These forward-looking statements are based on the opinions of management at the date the statements are made and are based on assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events to differ materially from those projected in forward-looking statements, including, but not limited to satisfaction by the Company of the conditions precedent to the Bridge Loan. Other important factors that could cause actual results to differ materially from the Corporation's expectations include risks and uncertainties disclosed in the Corporation's MD&A and the Annual Information Form for the year ended December 31, 2013, which are available at [www.sedar.com](http://www.sedar.com). The Corporation is under no obligation to update forward-looking statements if circumstances or management's opinions should change, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.*

### **Contact**

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