

# ValGold Resources Ltd. Arranges Non-Brokered Secured Convertible Financing

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TORONTO, Nov 12, 2014 - [ValGold Resources Ltd.](#) ("ValGold" or the "Company") (TSX VENTURE:VAL) is pleased to report that, subject to regulatory approval, it intends to complete a secured convertible credit facility (the "Facility") of \$200,000. The Facility, when drawn upon, will provide working capital for the Company's ongoing operations.

The Facility consists of units (the "Units") each comprised of a \$1,000 debenture (the "Debentures") and 20,000 warrants (the "Warrants"). Each Warrant is exercisable into a common share at a price of \$0.05 per common share until the earlier of: (i) five years after the date of issue; and (ii) the date on which the Debentures are redeemed as outlined below.

The Facility shall mature and become due and payable one year from the date of issue. The Facility shall bear interest on the principal amount drawn by the Company at an annual interest rate of 10%, accrued quarterly in arrears. A standby fee will accrue quarterly in arrears at an annual rate of 8% on the undrawn amount of the Facility. Payment of all interest and standby fees will be deferred and will be payable at maturity or upon redemption of the Facility.

The entire principal amount of each Debenture (including undrawn amounts) may be converted at the investors' option until the earlier of (i) five years from the date of issue; and (ii) the date redeemed by the Company. The conversion of Debentures into ValGold common shares shall be in minimum amounts of \$5,000 at a price of (i) \$0.05 per common share for the first year from the date of issue; and (ii) \$0.10 thereafter.

The Facility will be secured by a pledge of all of the Company's present and after-acquired property and assets (the "Security") pursuant to a general security and pledge agreement.

The Company may redeem any and all outstanding Debentures under the Facility at (i) the maturity of the Facility; and (ii) any time upon 30 days' written notice (the "Notice Period") to the investors at a redemption price equal to the principal amount of the Facility plus accrued and unpaid interest and standby fees. Investors shall retain the right during the Notice Period to convert the Debentures into common shares as set forth above. The Facility may be redeemed with any of: the Company's cash; the proceeds of sales of the Company's assets; or the proceeds of the issuance of any securities of the Company.

Under the Facility, the Company may sell any of its assets subject to the Security (an "Asset Sale"), but must place the net proceeds of an Asset Sale into escrow while it makes an offer to investors to redeem the Facility. In the event of an Asset Sale, the Company is required to make a written offer to redeem any and all Debentures outstanding in an amount equal to the net proceeds of the Asset Sale. Such offer shall be open for acceptance for a 30-day period and the Company is required to redeem all tendered Debentures on a pro rata basis to the amount of the net proceeds of the Asset Sale. In the event the principal amount of tendered Debentures is less than the net proceeds of the Asset Sale, the Company may use such remaining funds in its discretion, including redeeming outstanding Debentures.

The Facility is subject to various events of default including (i) failure of the Company to maintain its TSX-V listing and status as a reporting issuer in its current jurisdictions; (ii) failure to file interim and annual financial statements; and (iii) the issuance of a summary judgment against the Company.

Two insiders of the Company are participating in the Facility, thereby making it a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). It is anticipated that Rod Whyte, a director, will purchase 20 debentures (he currently owns or controls 2,628,000 common shares) and Pinetree Capital Ltd., which holds more than 10% of the Company's outstanding common shares, will purchase 50 debentures (it currently owns or controls 7,000,000 common shares and 1,000,000 warrants).

The Facility is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the Units issued to or the consideration paid by Mr. Whyte and Pinetree Capital Ltd. exceeded 25% of the Company's market capitalization.

ValGold common shares are listed on the TSX Venture Exchange under the symbol VAL. The securities

issued in connection with the Facility will be subject to a four-month hold or restricted period in Canada.

There are no finders' or investor fees payable in connection with the financing and the closing of the Facility is subject to the acceptance of the TSX Venture Exchange.

ValGold is a mineral exploration and development company which holds an exploration property in Ontario and a royalty on [Northern Gold Mining Inc.](#)'s Garrison Project.

*This release was prepared by management of the Company who takes full responsibility for its contents. 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.*

*This news release contains certain "Forward-Looking Statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended and "Forward Looking Information" within the meaning of applicable Canadian securities legislation. Some forward looking statements and forward looking information contained in this release are forward-looking and, therefore, involve uncertainties or risks that could cause actual results to differ materially.*

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