

# Scorpio Gold Announces Strategic Financing to Raise Gross Proceeds of US\$15 Million

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 6, 2015) - [Scorpio Gold Corp.](#) ("Scorpio Gold" or the "Company") (TSX VENTURE:SGN) announces that it has entered into a non-binding letter of intent (the "LOI") with an affiliate of Coral Reef Capital LLC ("Coral Reef") pursuant to which Coral Reef will acquire an aggregate of 124,172,185 units (each a "Unit") of Scorpio Gold on a non-brokered private placement basis, at a price of US\$0.1208 per Unit, for aggregate gross proceeds to Scorpio Gold of US\$15,000,000 (the "Placement"). Each Unit will be comprised of one common share of Scorpio Gold (a "Share") and one quarter of a common share purchase warrant (each whole warrant, a "Warrant"), which Warrant will be exercisable for a period of five years to acquire an additional Share at an exercise price of US\$0.1208. Proceeds of the Placement will be used to fund exploration and development of Scorpio Gold's existing mineral properties and for working capital.

The Placement is structured to close in two tranches: an initial tranche ("Tranche A") for gross proceeds of US\$3,750,000, and a second tranche ("Tranche B") for gross proceeds of US\$11,250,000. Tranche A will close following the completion of certain conditions precedent, including Coral Reef's completion of a due diligence review of Scorpio Gold and its operations and definitive documentation. Tranche B will close following the completion of further conditions precedent, including the receipt of the approval of Scorpio's shareholders. The closing of both tranches remains subject to the approval of the TSX Venture Exchange.

Following the completion of both tranches of the Placement, it is anticipated that Coral Reef will hold an aggregate of 49.8% of Scorpio Gold's outstanding Shares.

Peter Hawley, Chief Executive Officer of Scorpio Gold, states: "We view Coral Reef as a sophisticated, stable, long term-strategic investor that will provide Scorpio Gold the support and financial capability to accelerate the growth of the Company. Coral Reef is very familiar with the Nevada mining sector owning the Denton-Rawhide mine and an advanced exploration project. Their support will not only allow the Company to expand its exploration programs at both Mineral Ridge and Goldwedge but also to grow our production profile through organic and M&A means with the objective of bringing Scorpio Gold to the next level."

Marceau Schlumberger, Managing Partner of Coral Reef Capital LLC, states: "We are excited about the opportunity to partner with Scorpio Gold's strong management team and believe there is significant potential at Mineral Ridge and Goldwedge. We look forward to working expeditiously to close this transaction and then having the Company utilize this capital to grow its production. This investment also fits well into our portfolio of mining transactions. We believe we can leverage our experiences and relationships to help Scorpio Gold grow."

In connection with the Placement, Coral Reef will be granted certain additional rights. Upon the closing of Tranche A, Coral Reef will be granted the right to appoint two additional directors to Scorpio Gold's existing board, and also the pre-emptive right to participate in future equity financings of Scorpio Gold. Upon the closing of Tranche B, Coral Reef will also be granted annual budget approval rights, approval rights to changes of Scorpio's senior management, approval rights on any new proposed debt or equity financings or stock option issuances conducted by Scorpio Gold, approval rights on dividend distributions and share repurchases, and, subject to customary fiduciary out provisions, approval rights on any potential sale, merger or joint venture involving Scorpio Gold.

If Scorpio Gold does not proceed with the Placement for any reason other than Coral Reef exercising its due diligence out, Scorpio Gold will be required to pay Coral Reef a break fee in the amount of US\$500,000. If the initial Tranche A placement is exercised then the break fee will be waived.

About Scorpio Gold

Scorpio Gold holds a 70% interest in the producing Mineral Ridge gold mining operation located in Esmeralda County, Nevada with joint venture partner Waterton Global Value L.P. (30%), and Scorpio Gold is currently entitled to receive 80% of cash flow generated. Mineral Ridge is a 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 the Goldwedge property as well as the potential for toll milling at the Goldwedge plant, which is currently permitted for 400 tons per day.

#### About Coral Reef

Coral Reef Capital LLC ("CRC") is a New York-based private investment firm that focuses exclusively on the natural resources sector, including metals & mining, oil & gas exploration and production, energy and related infrastructure and services. CRC seeks to partner with strong management teams and invest in profitable natural resource companies that have significant growth potential. CRC's investments include Rawhide Mining LLC and an advanced stage gold exploration company, both located in Nevada.

#### 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 completion of the Placement. 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 the fulfillment of certain conditions precedent to the two tranches of the Placement, including satisfactory completion of Coral Reef's due diligence review, completion of definitive documentation, receipt of shareholder approval to Tranche B, and receipt of the approval of the TSX Venture Exchange. 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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