

TORONTO, Dec. 24, 2015 /CNW/ - [Stonegate Agricom Ltd.](#) ("Stonegate" or the "Company") (TSX: ST) today announced it has entered into a US\$1 million senior secured convertible term loan with Milfam II L.P., an arm's length third party. The Company is in receipt of the loan proceeds and plans to use the funds for general corporate purposes.

The two-year loan is convertible into common shares at CDN\$0.015 (the "Conversion Price") (converted into USD using the Bank of Canada noon exchange rate on the business day immediately prior to the conversion) per common share and will be subject to customary anti-dilution provisions. The exercise of the conversion rights is subject to restrictions until shareholder approval is obtained as conversion of the loan in full could materially affect control of the Company and could result in more than 25% of the issued and outstanding common shares as of December 23, 2015 being issued. If at any time prior to the exercise of the conversion option, Stonegate issues convertible securities with a conversion price that is lower than the Conversion Price, then the Conversion Price will be reduced to a price equal to the higher of: (i) such lower price; and (ii) the "market price" of the common shares (being the 5-day volume weighted average market price) at the time the loan is issued less 25%, being the maximum allowable discount under the rules of the Toronto Stock Exchange.

The loan will bear interest at a rate of 12% per annum, payable in United States dollars in cash quarterly. The interest rate will be reduced to 10% per annum when the conversion rights are fully exercisable following receipt of shareholder approval.

The loan may not be prepaid, in whole or in part, during the first year. Thereafter, the loan may be prepaid by Stonegate, in whole only, with a premium of 5% of the amount being prepaid. The lender will be given the opportunity to exercise its conversion option prior to any pre-payment.

If fully converted today, using the Bank of Canada noon exchange rate of US\$1.00:CDN\$1.386 on December 23, 2015, 92,400,000 common shares would be issuable to the lender, representing approximately 27.2% of the issued and outstanding common shares as of December 23, 2015.

About Stonegate Agricom Ltd.

Stonegate Agricom, which is actively engaged in acquiring and developing agricultural nutrient projects, is currently focused on the development of the Paris Hills Phosphate Project located in Idaho. The Company believes that the deposit has sufficient size and grade to become a strategic, cost-effective source of phosphate supply for major fertilizer producers. More information is available at www.stonegateagricom.com.

Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable

Law, including the forward looking information relating to the potential for the conversion of the loan to materially affect control of the Company. Generally, forward-looking statements and forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". All forward-looking statements and forward-looking information are based on reasonable assumptions that have been made by the Company as at the date of such information. Forward-looking statements and forward-looking information are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements and forward-looking information, including but not limited to: uncertainty of additional capital and the Company's ability to continue as a going concern, risks associated with having a controlling shareholder, the conversion price and the impact of currency exchange rates thereon, dilution to the common shares, currency fluctuations, as well as those factors discussed in the section entitled "Risk Factors" in the Company's most recently filed annual information form available at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements and forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information. The forward-looking statements and forward-looking information contained in this news release are included for the purpose of providing investors with information to assist them in understanding the Company's expected financial and operational performance and may not be appropriate for other purposes. Stonegate does not undertake to update any forward-looking statement or forward-looking information that is included herein, except in accordance with applicable securities laws.

SOURCE [Stonegate Agricom Ltd.](#)

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