

Scorpio Gold Announces US\$6 Million Convertible Debenture Private Placement Financing

28.01.2019 | [GlobeNewswire](#)

VANCOUVER, Jan. 28, 2019 - [Scorpio Gold Corp.](#) (“Scorpio Gold” or the “Company”) (TSX-V: SGN) is pleased to announce a non-brokered private placement offering (the “Private Placement”) of secured convertible debentures (each, a “Debenture”) for gross proceeds of up to US\$6,000,000. The Company intends to use the net proceeds from the Private Placement for the Buyout (as defined below) and for general working capital purposes.

Each Debenture will have an issue price of US\$1,000, a term of three years from the date of issuance and will bear interest at a rate of 10% per annum, payable semi-annually, which, subject to regulatory approval, may be paid in common shares of the Company (“Shares”) at the option of the Company or the holder of the Debenture. The Debentures will be secured by a security interest subordinate to all existing and future senior indebtedness of Company, including any future senior indebtedness in connection with the construction of a new processing plant at the Mineral Ridge Project.

Each Debenture is convertible into Shares at the option of the holder at any time prior to maturity at a conversion price of US\$0.08 per Share (the “Conversion Price”), which is equivalent to 12,500 Shares for each US\$1,000 principal amount of Debentures, subject to adjustment in certain circumstances. Debentures must be converted in minimum amounts of US\$1,000. The Company will have the option on maturity, subject to regulatory approval, to repay any portion of the principal amount of the Debentures in cash or by issuing and delivering to the holders of the Debentures such number of Shares equal to the principal amount of the Debenture divided by the Conversion Price.

Prior to the issuance of the Debentures, the Company will complete a 2:1 consolidation of its Shares (the “Share Consolidation”). The Company intends to seek shareholder approval of the Share Consolidation at a special and general meeting of its shareholders to be held on February 27, 2019.

The closing of the Private Placement is subject to certain conditions including, but not limited to, the acceptance of the TSX Venture Exchange (the “Exchange”), the completion of the Share Consolidation, and the concurrent completion of the Buyout (as defined below). The Debentures and Shares issued upon conversion thereof will be subject to a four month hold period from the date of issuance of the Debentures in accordance with applicable securities laws and, if required, the policies of the Exchange. A finder’s fee within Exchange policy guidelines may be paid in Debentures in connection with the Private Placement.

The Company intends to use US\$3,000,000 of the proceeds of the Private Placement to fund (i) the settlement of the loan advanced from Waterton Precious Metals Fund II Cayman, LP (the “Lender”) to Scorpio Gold, pursuant to the terms of a senior secured credit agreement among the Company, its subsidiaries and the Lender, which was originally announced in the Company’s press release dated August 17, 2015 (the “Credit Facility”), (ii) the termination of a gold and silver supply agreement dated May 18, 2011 among the Company, Scorpio Gold (US) Corporation (“Scorpio Gold US”), Mineral Ridge Gold, LLC (“Mineral Ridge Gold”) and an affiliate of the Lender; and (iii) the purchase of the 30% membership interest of Elevon LLC (“Elevon”) in Mineral Ridge Gold (which holds the Mineral Ridge Project) and the termination of an operating agreement dated March 10, 2010 between Scorpio Gold US and Elevon, (collectively, the “Buyout”). Scorpio Gold has entered into a non-binding letter of intent with the Lender in connection with the Buyout, and intends to enter into definitive agreements with the Lender and its affiliates in connection with the Buyout on or prior to the closing of the Private Placement. Additionally, the Company and the Lender have entered into a further binding forbearance agreement in respect of the Credit Facility, pursuant to which the Lender has extended the maturity date of the Credit Facility to March 4, 2019. The

Company intends to close the Private Placement and the Buyout on or about March 4, 2019.

The securities being offered have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any applicable securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent of such registration or an applicable exemption from such registration requirements. This press release does not constitute an offer for sale of, or a solicitation of an offer to buy, the securities, nor will there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale is not permitted, including, but not limited to, the United States ("United States"); and "U.S. person" are defined in Regulation S under the U.S. Securities Act).

About Scorpio Gold Corporation

Scorpio Gold holds a 70% interest in the producing Mineral Ridge gold mining operation located in Esmeralda County, Nevada with joint venture partner Elevon, LLC (30%). Mineral Ridge is a conventional open pit mining and heap leach operation. Mining at Mineral Ridge was suspended in November 2017; however, the Company continues to generate limited revenues from residual but diminishing recoveries from the leach pads. Scorpio Gold also holds a 100% interest in the advanced exploration-stage Goldwedge property in Manhattan, Nevada with a fully permitted underground mine and 400 ton per day mill facility. The Goldwedge mill facility has been placed on a care and maintenance basis and can be restarted immediately when needed.

ON BEHALF OF THE BOARD
SCORPIO GOLD CORPORATION

Brian Lock,
Interim CEO

For further information contact:
Brian Lock, Director and Interim Chief Executive Officer
Tel: (604) 889-2543
Email: block@scorpiogold.com or czerga@scorpiogold.com

Website: www.scorpiogold.com

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 Private Placement (including the timing thereof) and the allocation of the use of proceeds thereof, the negotiation and completion of the Buyout and the entering of definitive agreements in connection therewith. The Company cautions that the letter of intent in respect of the Buyout is not legally binding, and completion of the Buyout is subject to a number of conditions, including the negotiation and execution of definitive binding agreements. 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 risks relating to operation of a gold mine, including the availability of cash flows or financing to meet the Company's ongoing financial obligations; the inability of the Company to re-finance its long-term debt obligations; unanticipated changes in the mineral content of materials being mined; unanticipated changes in recovery rates; changes in project parameters; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; availability of skilled labour and the impact of labour disputes; obtaining the required permits to expand and extend mining activities; delays in obtaining governmental approvals; changes in metals prices; unanticipated changes in key management personnel; changes in general economic

conditions; other risks of the mining industry and those risk factors outlined in the Company's Management Discussion and Analysis as filed on SEDAR. 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.

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/317953--Scorpio-Gold-Announces-US6-Million-Convertible-Debenture-Private-Placement-Financing.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).