

Scorpio Gold Announces Completion of Waterton Buyout to Eliminate Senior Secured Debt and Acquire a 100% Interest in the Mineral Ridge Property

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VANCOUVER, March 06, 2019 - [Scorpio Gold Corp.](#) ("Scorpio Gold" or the "Company") (TSX-V: SGN) is pleased to announce that further to the Company's press release dated January 28, 2019, the Company has completed the Waterton Buyout (as defined below), as a result of which, among other things, the Company's senior secured debt owing to an affiliate of Waterton Global Resources Management ("Waterton") in the amount of US\$6,103,562 has been extinguished, and the Company now holds a 100% interest in the Mineral Ridge project, located in Nevada.

Brian Lock, the interim CEO and a director of the Company, states, "This is a great day for Scorpio Gold, having eliminated its US\$6-million senior secured debt with Waterton in exchange for an upfront payment of US\$3-million in cash, and increasing its ownership of the Mineral Ridge Gold Mine to 100%. Scorpio Gold is finalizing the previously-announced US\$6-million convertible debenture financing. We can now focus our efforts on re-engaging with lenders who had previously expressed interest in funding our new processing facility at the Mineral Ridge project. This will allow us to capture the value in the gold reserves contained in the heap leach pad and unmined portions of the mine. We see potential to increase those resources by further exploration within and outside our area of operations. Our operating team at Mineral Ridge has proved its excellence over the past eight years and once financed, will build and operate the new process facility with an expected mine life of at least seven years."

Pursuant to the Waterton Buyout: (i) 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 (the "Credit Agreement") among the Company, its subsidiaries and the Lender, which was originally announced in the Company's press release dated August 17, 2015, has been fully extinguished and the Credit Agreement has been terminated (ii) the 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 has been terminated; and (iii) the Company has acquired the 30% membership interest of Elevon LLC ("Elevon") in Mineral Ridge Gold (which holds the Mineral Ridge Project) and the related operating agreement dated March 10, 2010 between Scorpio Gold US and Elevon has been terminated (collectively, the "Waterton Buyout").

In consideration for the Waterton Buyout: (i) the Company paid the Lender US\$3,000,000 (the "Upfront Payment"), (ii) the Company assigned to the Lender the right to receive up to Cdn\$1,000,000 of a contingent payment the Company may receive from [Gold Standard Ventures Corp.](#) ("Gold Standard") in connection with the Company's sale to Gold Standard of the Pinon property in 2014 (for further information, see the Company's news release dated March 5, 2014), and (iii) a contingent payment will be payable by the Company to Waterton if the Company completes certain asset sale or change of control transactions before 2022, which will be calculated based on a percentage of the value of such transactions.

The Company received funding to complete the Upfront Payment pursuant to a US\$3,000,000 debt bridge financing (the "Bridge Financing") from arm's length parties to the Company that intend to subscribe to the Company's non-brokered private placement of convertible debentures (the "Convertible Debenture Financing"), previously announced in the Company's press release on January 28, 2019. The Bridge Financing accrues interest at a rate of 7% per annum, is unsecured, and is subject to industry-standard events of default. The Company intends to repay the lenders of the Bridge Financing with funds obtained on the closing of the Convertible Debenture Financing, which is

expected to be later this month.

For further information, please visit the Company's website at www.scorpiogold.com or contact the Company at the address below:

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About Scorpio Gold Corporation

Scorpio Gold holds a 100% interest in the producing Mineral Ridge gold mining operation located in Esmeralda County, Nevada. 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

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 Company repaying the lenders of the Bridge Financing, as well as the completion of the Convertible Debenture Financing and the allocation of the use of proceeds thereof. 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 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.

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