

# Ascot Secures US\$105 Million Construction Finance Package for Premier Gold Project

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VANCOUVER, Dec. 10, 2020 - [Ascot Resources Ltd.](#) (TSX: AOT; OTCQX: AOTVF) (the "Company") is pleased to announce the closing of a US\$105 million project financing package (the "Financing") with Sprott Private Resource Lending II (Collector), LP (the "Sprott") and Beedie Investments Ltd. (the "Beedie"). The Financing will be used to develop the Company's Premier Gold Project (the "Project") in northern British Columbia and to repay the existing Sprott Private Resource Lending (Collector), LP and Resource Income Partners Limited Partnership convertible notes on closing. The Financing is comprised of a senior credit facility (the "Senior Facility") for US\$80 million provided by Sprott, and a subordinated convertible facility for US\$25 million (the "Convertible Facility") provided by Beedie and Sprott.

A summary of the key terms of the Senior Facility and Convertible Facility are as follows:

## The Senior Facility

- Term of 5 years
- US\$80 million in principal structured in multiple tranches:
  - US\$20 million advanced at closing
  - Subsequent tranches available to the Company on satisfaction of customary conditions
- Interest rate greater of 3-month LIBOR and 1.5% plus 7.0% and 5.75% per annum
- 100% of interest costs capitalized until June 2022
- Principal payments including capitalized interest are payable in 10 quarterly instalments commencing September 2023
- 2.0% original issue discount payable on drawdown of each tranche
- 1.75% partner alignment fee payable in Ascot common shares at closing
- Fixed US\$13 per ounce production-linked payment on the first 450,000 ounces produced
  - Payments are to be financially settled on a monthly basis and can be terminated at any time by payment of an early termination fee
- Voluntary prepayment of outstanding principal and interest after December 2023
- The facility is available to be drawn until June 30, 2022 and project completion no later than September 30, 2023
- No hedging, cash sweeps, cash collateralization or offtake agreement
- At Ascot's option, Sprott will purchase 10% of the common shares or up to a maximum of US\$3 million, to be issued in connection with Ascot's minimum equity requirement of US\$25M associated with the financing package.

## The Convertible Facility

- Term of 3 years extended to 4 years upon receipt of project construction permits
- US\$25 million in principal structured in two tranches:
  - US\$10 million will be advanced at closing (the "Initial Advance")
  - US\$15 million will be advanced on satisfaction of customary conditions (the "Subsequent Advance")
- Interest rate of 8.0% per annum
- 100% of interest costs capitalized to principal until construction is complete and the Project has successfully completed an agreed completion test
- 3.0% standby fee on undrawn amounts, accrued until maturity date
- 1.5% commitment fee payable at closing
- Prepayment is subject to Senior Facility conditions, 1.0% penalty on repayment of outstanding principal and interest after December 2022, prior to December 2022 a make whole fee of 24 months interest

- Subject to the terms and conditions of the Convertible Facility, all or a portion of the Initial Advance can be converted into Ascot common shares at the option of the Lenders at a price equal to the higher of (&#8220;Initial Advance Conversion Price&#8221;):
  - 20% premium to the 30-day VWAP of Ascot common shares immediately prior to the date hereof; and
  - The market price immediately prior to the date hereof, as defined by the rules and policies of the Toronto Stock Exchange (&#8220;TSX&#8221;);
- Subject to the terms and conditions of the Convertible Facility, all or a portion of the Subsequent Advance, if any, can be converted into Ascot common shares at the option of the Lenders at a price equal to the higher of (the &#8220;Subsequent Advance Conversion Price&#8221;):
  - the Initial Advance Conversion Price; and
  - the market price subject to the maximum allowable discount, pursuant to the rules and policies of the TSX
- If over 20 consecutive trading days the VWAP of Ascot common shares exceeds 45% of the Initial Advance Conversion Price or Subsequent Advance Conversion Price (together, the &#8220;Conversion Price&#8221;), as applicable, Ascot may, subject to the terms and conditions of the Convertible Facility, convert up to 50% of the Conversion Price, as applicable, to Ascot common shares, in accordance with the terms and conditions of the Convertible Facility

Derek White, President and CEO of Ascot, commented, &#8220;We are very pleased with the financial commitments that Spratt and Beedie Capital have made towards the development of the Project. We have achieved our objective of securing a flexible financing package on terms that are competitive and protect the upside for our shareholders. The optionality of repayment of both the Senior Facility and the Convertible Facility in a rising gold price environment provides the Company financing flexibility. Combined with the equity financing completed in June, this package secures approximately US\$45 million of immediate funding enabling us to order long lead-time equipment, undertake pre-construction activities, advance permitting and refinance our existing convertible note. The financing process has been a team effort and I would like to acknowledge the efforts of all involved from the Ascot team, our advisors Auramet International LLC, Agentis Capital Mining Partners, and our legal counsel Blakes Cassels and Graydon, LLP.&#8221;

Narinder Nagra, Managing Partner of Spratt, commented, &#8220;As one of the largest investors dedicated to the natural resource sector, Spratt is excited to partner with Ascot on the development of the Premier Gold Project. Our partnership with Ascot is consistent with our strategy of providing innovative and flexible capital to maximize the value of exceptional projects.&#8221;

&#8220;We are excited to partner with Ascot and Spratt as part of this comprehensive financing package&#8221; said David Bell, Managing Director at Beedie Capital. &#8220;We look forward to supporting Ascot through the development of the Project into becoming a significant gold producer in British Columbia.&#8221;

All definitive documentation for the Financing has been signed and the Company expects to receive the first US\$20 million tranche from the Senior Facility, on December 10, 2020. The US\$10 million advance from the Convertible Facility will be used to repay the existing convertible notes. Drawdown on each facility is subject to customary conditions including all regulatory approvals.

For more information about the Company, please refer to the Company&#8217;s profile on SEDAR at [www.sedar.com](http://www.sedar.com) or visit the Company&#8217;s web site at [www.ascotgold.com](http://www.ascotgold.com), or for a virtual tour visit [www.vrify.com](http://www.vrify.com) under Ascot Resources.

## INVESTOR UPDATE CALL

Monday, December 14, 2020 Time: 1:15pm PT /4:15pm ET (US & Canada)

Ascot&#8217;s President & CEO Derek White will host a call on Monday, December 14, 2020 at 1:15pm PT/4:15pm ET. Please join 5 - 10 minutes prior to the scheduled time by dialling toll free Canada/USA 1-800-319-4610; International 1-604-638-5340. To join via webcast, please click the following link: <http://services.choruscall.ca/links/ascot20201214.html>

ON BEHALF OF THE BOARD OF DIRECTORS OF

[Ascot Resources Ltd.](#)

*&#8220;Derek C. White&#8221;*, President and CEO

For further information contact:

Kristina Howe

VP, Investor Relations

778-725-1060 / [khowe@ascotgold.com](mailto:khowe@ascotgold.com)

About Ascot Resources Ltd.

Ascot is a Canadian-based exploration and development company focused on re-starting the past producing historic Premier gold mine, located in British Columbia's Golden Triangle. The Company continues to define high-grade resources for underground mining with the near-term goal of converting the underground resources into reserves, while continuing to explore nearby targets on its Premier/Dilworth and Silver Coin properties (collectively referred to as the Premier Gold Project). Ascot's acquisition of IDM Mining added the high-grade gold and silver Red Mountain Project to its portfolio and positions the Company as a leading consolidator of high-quality assets in the Golden Triangle.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

#### Cautionary Statement Regarding Forward-Looking Information

All statements, trend analysis and other information contained in this press release about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as *&#8220;seek&#8221;*, *&#8220;anticipate&#8221;*, *&#8220;believe&#8221;*, *&#8220;plan&#8221;*, *&#8220;estimate&#8221;*, *&#8220;expect&#8221;* and *&#8220;intend&#8221;* and statements that an event or result *&#8220;may&#8221;*, *&#8220;will&#8221;*, *&#8220;should&#8221;*, *&#8220;could&#8221;* or *&#8220;might&#8221;* occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements, including statements in respect of the closing of the Financing (including any subsequent advances) and the use of proceeds. Although Ascot believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since the Ascot can give no assurance that such expectations will prove to be correct. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including the risks, uncertainties and other factors identified in the Ascot's periodic filings with Canadian securities regulators, and assumptions made with regard to: the estimated costs associated with construction of the Project; the timing of the anticipated start of production at the Projects; the ability to maintain throughput and production levels at the Premier Mill; the tax rate applicable to the Company; future commodity prices; the grade of Resources and Reserves; the ability of the Company to convert inferred resources to other categories; the ability of the Company to reduce mining dilution; the ability to reduce capital costs; and regulatory approvals. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Important factors that could cause actual results to differ materially from Ascot's expectations include risks associated with the business of Ascot; risks related to exploration and potential development of Ascot's projects; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and indigenous groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; risks associated with COVID-19 including adverse impacts on the world economy, construction timing and the availability of personnel; risks in respect of regulatory approvals; the timing of future economic studies; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals, financing or in the completion of Project as well as those factors discussed in the Annual Information Form of the Company dated March 13, 2020 in the section entitled "Risk Factors", and in other periodic filings, all available under Ascot's SEDAR profile at [www.sedar.com](http://www.sedar.com). Forward-looking statements are based on estimates and opinions of management at the

date the statements are made. Ascot does not undertake any obligation to update forward-looking statements.

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