

# Chieftain Metals Arranges \$18.5 Million Bridge Loan and Concludes Amended US\$55 Million Gold and Silver Purchase Agreement

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TORONTO, ONTARIO--(Marketwired - Jul 7, 2014) - Chieftain Metals Corp. ("Chieftain Metals") (TSX:CFB) is pleased to announce that its wholly-owned subsidiary, [Chieftain Metals Inc.](#) (the "Company"), has completed the previously announced secured, syndicated loan facility with West Face Capital Inc. ("West Face Capital"), as agent for West Face Long Term Opportunities Global Master L.P., a fund managed by West Face Capital (the "Bridge Loan"). The Bridge Loan has been structured as a 24 month secured facility to be made available to the Company in two tranches with an interest rate of Libor plus 15%. A copy of the loan agreement is available for review on Chieftain's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The first tranche in the amount of \$7.5 million has been advanced at 98% of the principal amount and will be used to update the Company's 2012 feasibility study (the "Feasibility Update") relating to the construction of the permitted Tulsequah Chief polymetallic mine (the "Project"), as well as for general corporate purposes. The second tranche provides the Company the ability to draw the Canadian dollar equivalent of US\$10 million, if needed, to repay amounts owing under the amended gold and silver purchase agreement described below (the "Amended Streaming Agreement") with a subsidiary of [Royal Gold Inc.](#) ("Royal Gold").

The Feasibility Update has a number of key objectives. Primary among them is an alternative development scenario focused on lowering project capital expenditures based on a lower more selective production level start plus establishing concentrate transportation alternatives. Additionally, mill design, head grades and copper recoveries will be optimized. The Company expects that, by achieving the objectives outlined above, project financing and joint venture opportunities will be enhanced.

Provided Chieftain's Feasibility Update meets Royal Gold's investment criteria, the Amended Streaming Agreement will provide, in addition to the US\$10 million received on December 2011, a non-refundable US\$45 million investment by Royal Gold for the Project construction against the sale of 17.5% of the gold production up to 65,000 ounces, payable at 30% of the daily London price quotation and 8.75% of the gold production thereafter; as well as the sale of 25% of the silver production up to 3,000,000 ounces, payable at 25% of a recognized silver price quotation and 12.5% of the silver production thereafter. A copy of the Amended Streaming Agreement is also available for review on Chieftain's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Mr. Victor Wyprsky, President and CEO stated, "We are pleased to announce these financing arrangements which will provide us with the necessary funding to complete an important Feasibility Update as well as cover operating costs through 2015 and satisfy potential obligations under the Amended Streaming Agreement. We expect that the Feasibility Update will reflect lower capital costs, resulting in enhanced project net asset value and investment returns, thereby improving project financeability. The long term outlook for our main metals, zinc, copper and gold is favourable and we welcome this strong support for the project development as shown by both our largest shareholder and our streaming partner."

## About West Face Capital Inc.

West Face Capital is one of Canada's leading alternative investment managers with approximately \$2.9 billion in assets under management. West Face Capital is active in a wide range of strategies, including providing bespoke capital solutions to companies with unique opportunities. West Face Capital's capabilities are underpinned by a seasoned multi-disciplinary investment team, proprietary origination channels and deep sector expertise, both domestically and internationally.

## About Royal Gold Inc.

Royal Gold is a precious metals royalty and stream company engaged in the acquisition and management of precious metal royalties, streams and similar production based interests. The Company owns interests on 201 properties on six continents, including interests on 37 producing mines and 23 development stage projects. Royal Gold is publicly traded on the NASDAQ Global Select Market under the symbol "RGLD" and on the Toronto Stock Exchange under the symbol "RGL". The Company's website is located at [www.royalgold.com](http://www.royalgold.com)

### **About Chieftain Metals Corp.**

Chieftain Metals is a public holding company, whose principal business is the acquisition, exploration and development of mineral properties. Chieftain's business has focused on the development of the Tulsequah Chief deposit located in north-western British Columbia, Canada. Chieftain's properties consist of 59 mineral claims and Crown-grants covering approximately 32,403 hectares including two previously producing mines.

### **Cautionary Statement Regarding Forward-Looking Information**

*This press release contains forward-looking information. All statements, other than statements of historical fact, are forward-looking and can be identified by the use of future-oriented words and phrases including without limitation "may", "will", "could", "subject to", "expects" and variations and negatives thereof. The forward-looking information included in this press release include statements with respect to: the obtaining of disinterested shareholder approval by Chieftain in order to fund advances under the Bridge Loan and the intended use and sufficiency of proceeds therefrom; Chieftain's potential obligation to repay deposited amounts under the Streaming Agreement to Royal Gold; the improvements expected to be made to the Project by the Feasibility Update; and the expected timing of the completion of the Feasibility Update. Forward-looking information contained in this document is based on the opinions and estimates of management as well as certain assumptions considered by management to be reasonable and which are made as at the date the information is given (including, in respect of the forward-looking information contained in this press release, assumptions regarding Chieftain's ability to obtain regulatory approval for the funding of advances under the Bridge Loan, the expected cost of funding and the timing requirements to complete the Feasibility Update and the projected working capital requirements of Chieftain, the potential obligation of Chieftain to repay amounts under the Streaming Agreement, and assumptions and factors regarding Chieftain's mineral properties which management expects to be supported by the Feasibility Update).*

*Readers should be cautioned that forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Material risks include without limitation: that Chieftain may not be able to obtain disinterested shareholder approval or obtain regulatory approval to fund advances under the Bridge Loan, or that funding conditions under the Bridge Loan will not be met; the cost and timing of the Feasibility Update may exceed management's expectations and/or may not result in the optimizations to the Project expected by management; advances under the Bridge Loan may be insufficient to address the intended use of proceeds as expected by management, inherent risks involved in the exploration and development of Chieftain's mineral properties, volatility of metal prices and other factors. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by Chieftain. The forward-looking information contained herein is made as of the date hereof and Chieftain assumes no responsibility to update or revise it to reflect new events or circumstances, except as required by law.*

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