

Otso Gold Corp.

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Otso Gold Corp looks forward to realizing value of Finnish gold mine

Otso Gold Corp (CVE:OTSO), formerly Nordic Gold Inc (CVE:NOR), told investors it was an "exciting" time for the group as it moves towards returning the Otso mine (formerly known as the Laiva gold mine) back to production, earmarked for July next year.

All necessary elements for that to occur are in place, said the company in a shareholder update, including all permits and licenses and two open pits in place. Also a 'gold plated' process plant (mill) also on site which is well maintained and requires minimal capital expenditure, the firm noted.

READ: Nordic Gold reveals drilling has started at Finnish gold mine project "The resource has been confirmed and the "final piece of the puzzle" is an infill drilling program to ensure the veracity of the mineralized zone," said the firm.

"We have now started drilling on site with the initial focus on the southern extension of the North Pit and the northern extension of the South Pit. The drilling program is supported by Tetra Tech who will run a live model to ensure the program is constantly optimized," it said, adding that it expects to begin to release results from the drilling program shortly.

As previously announced, the firm has changed its name to Otso Gold Corp (from Nordic) and shares have begun trading under the ticker symbol 'OTSO'.

Pandion Mine Finance (Pandion) continues to support the company, with a further investment of US\$900,000 received over the past three months, it added.

Otso confirmed it needs C\$17.5 million between now and the start of production in July 2020 and is considering transactions including one or more instruments to replace or complement an equity raise.

It continues to maintain Toronto venture exchange conditional approval for an equity raise of up to \$10 million, recognizing that funds are required to move to production and the return to production is obviously necessary to maximize shareholder returns.

Deferring equity raise

After "considerable" time over the last two months meeting with the firm's investors and potential investors, it has also decided to defer the closing of a large dilutive equity raise, it added.

"We recognize that the current shareholders of the company have weathered a significant reduction in value, and we are also cognizant of offsetting increases in value through the issuance of large amounts of equity. Consequently, management is now well advanced with alternative financing options including convertible notes, streaming loans and traditional debt structures. We have multiple parties completing due diligence in this respect," it said.

Price: 0.055

Market Cap: \$12.95 m

1 Year Share Price Graph



Share Information

Code: OTSO

Listing: TSX-V

52 week High Low
0.11 0.03

Sector: Gold & silver

Website: otsogold.com

Company Synopsis:

Otso Gold Corp. wholly owns the Otso Gold Mine near the town of Raahe in Finland. The Mine is a fully permitted open pit operation with a 2 million tonne per annum process plant in place and two open pits. The sunk capital of the project to date is in excess of CAD 300 million, the majority being spent on the start of the art process plant built by Metso and Outotec.

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