

Otso Gold Corp.

09:40 27 Mar 2020

Otso Gold closes C\$3.7 million in convertible debentures as its Finnish gold project progresses towards production

Otso Gold Corp (CVE:OTSO) (OTCMKTS:FIEIF) announced Friday it has closed over C\$3.7 million worth of convertible debentures to progress the company's Otso mine through to anticipated production in 2020.

The Vancouver-based firm's Otso mine near the town of Raahe in Finland is fully built, permitted, and has infrastructure in place in preparation for production to begin.

The debentures include a US\$1.5 million investment from PFL Raahe Holdings LP supported by an agreement by Lionsbridge Capital Pty Ltd, which manages Otso, to purchase the debentures from Pandion under certain conditions.

READ: Otso Gold appoints independent director, provides corporate update on staffing at Finnish mine site

The closing of the convertible debenture financing is a "significant step" in progressing the company and an achievement in the current economic climate, according to Otso's CEO Brian Wesson.

"The company now can continue towards production and ensure it is sufficiently capitalized to weather the current market challenges and continue its progress," Wesson told shareholders in a statement. "The receipt of a joint funding solution between Lionbridge's management team and Pandion is a significant vote of confidence for the company and testimony to Otso Gold's future."

Under the terms of the agreement, the debentures will mature in three years at a 10% annual interest rate. The net principal amount is convertible into shares of Otso after the first anniversary of issuance at either C\$0.10 or a 20% discount to the closing market price, whichever amount is greater.

The debentures carry an original issue discount that sees every C\$1,000 invested have a maturity value of C\$1,250.

Otso said it is currently working on finalizing a longer-term funding solution and expects to have more news in the coming week. Earlier in March, Otso said it needs to raise C\$17.5 million prior to the start of production.

The Otso mine has two open pits and is expected to process around 2 million tons of ore per year.

Contact Angela at angela@proactiveinvestors.com

Follow her on Twitter @AHarmantas

Price: 0.055

Market Cap: \$12.8 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.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Otso Gold Corp. named herein, including the promotion by the Company of Otso Gold Corp. in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).