

Northern Vertex gets \$100 million commitment from Sprott; pours first gold

by Peter Kennedy

NORTHERN VERTEX MINING CORP. [NEE-TSXV; NHVCF-OTC] has achieved a key milestone by announcing the first gold pour at its 100%-owned Moss Mine in Mohave County, western Arizona, about 80 miles southeast of Las Vegas. The company also said in a March 23, 2018 press release that its partner, Sprott Private Resource Lending LP, has made a commitment to provide up to US \$100 million in acquisition and development funding as well as a further CAD \$2 million in private placement funding.

“The first gold pour at the Moss Mine is an exciting milestone for all stakeholders,” said Northern Vertex President and CEO Kenneth Berry. “The transition to US gold producer is the culmination of six years of development, millions in economic activity and dedication to safety with more than 1,967 days without a lost time accident,” he said. “Furthermore, the commitment of up to US \$100 million by our partner Sprott for acquisitions and development positions Northern Vertex to aggressively pursue our goals for 2018.”

Northern Vertex is a development stage company that recently put its flagship Moss gold-silver project on the fast track towards commercial production. By deploying low-cost heap leaching recovery methods, Northern Vertex is expecting the Moss Project to produce 45,000 ounces of gold equivalent during the first five years of production. Annual cash flow is projected at US \$24 million and will be used to fund expansion and acquisitions.

With a forecast IRR (after-tax) of 48%, the project benefits from robust economics. A projected all-in sustaining cash cost of US \$603/oz should make the Moss project highly profitable at a gold price of US \$1,327.54/oz (March 13, 2018), a scenario that offers investors protection in the event

of a fall in the gold price.

The company is led by CEO Ken Berry, an experienced financier who has outlined a strategy that aims to leverage the company’s strong balance sheet, production, cash flow, and financial partnerships to elevate Northern Vertex to mid-tier gold producer status. He plans to achieve that goal via a process of consolidation using the Moss Mine as a springboard.

Northern Vertex has also forged strong strategic partnerships with key financial backers, including United Kingdom-based Greenstone Resources LP, and Sprott Resource Lending, a division of the Toronto investment and fund management firm Sprott Inc. Greenstone Resources has invested \$26 million to date and is willing provide backing in the event that opportunities should arise, Berry said. Earlier, Sprott provided Northern Vertex with a US \$20 million senior secured credit facility. The Sprott agreement provides that in the event of a proposed acquisition of a new project or entity, or the expansion of any existing project, the parties will enter into good faith negotiations regarding the terms of a financing of up to US \$100 million. Final details will depend on the nature of any future transaction, Berry said during an interview with *Resource World Magazine*.

The company also announced a non-brokered private placement of up to approximately 3.8 million units at a purchase price of \$0.52 per unit for gross proceeds of CAD \$2 million. The company said it has received unsolicited orders for the full commitment of this private placement.

Berry said the company remains focused on getting the Moss Mine Project ramped up towards commercial production, a process that will take another four



The first gold pour at Northern Vertex Mining’s Moss Mine in Mohave County, western Arizona, about 80 miles southeast of Las Vegas. Photo courtesy Northern Vertex Mining Corp.

to five months, he said. With backing from Sprott, the company is also reviewing opportunities that could allow the company to become a 100,000-150,000 ounce per year producer. “That is the goal for 2018,” he said. “We are definitely in discussions and looking at various projects.” But Berry declined to be more specific.

The company has also been tying up land around the Moss Mine with an eye towards growing its production through exploration success. Geologists Bud Hillemeier and Perry Durning are helping the company with that process after recently being named advisors to the company. One of the company’s strategic goals for 2018 was to launch a district-wide exploration program targeting 1 million ounces of gold-silver.

Berry said he expects to see the price of gold go higher, eventually. However, he said the company is very comfortable with the gold price as it stands now. If the price remains at current levels it may even be to the benefit of Northern Vertex by presenting further opportunities, he said. ■