

Veris Gold sells Jerritt Canyon

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\$3 FOR FIRST 13 WEEKS



The new owner of Jerritt Canyon mines installed a sign at the Elko office on 30th Street.

Marianne Kobak McKown, Elko Daily Free Press

ELKO – Veris Gold Corp. sold its Elko County gold mines Thursday to Jerritt Canyon Gold LLC, but most of the miners will remain on the job.

The assets sold include the Jerritt Canyon facilities and the underground mines Saval 4, Smith, SSX-Steer Complex and Starvation Canyon. The site is about 50 miles north of Elko.

Jerritt Canyon Gold President and CEO Greg Gibson said the majority of the 250 Veris Gold employees at the site were hired. He said about 20 of the employees, who were working in the Saval 4 Underground were laid off. However, those employees will have the opportunity to be hired by Small Mine Development, which will operate the mine, Gibson said. SMD already handles the operations in the other underground mines at Jerritt Canyon.

Jerritt Canyon Gold is a subsidiary of Sprott Mining which is controlled by Canadian billionaire Eric Sprott. Jerritt Canyon Gold owns 80 percent of Veris Gold's assets and the other 20 percent is owned by Whitebox Asset Management, Gibson said.

"Mining was not suspended. Mining will be increased," Gibson said. "However, there is a lot of work to do to get it where we want."

He said the site is on track to produce 185,000 to 200,000 ounces of gold this year.

The sale of the site happened after a Canadian bankruptcy court ordered Veris Gold to sell its assets. Veris Gold had filed under Companies' Creditors Arrangement Act in Canada, which is a type of bankruptcy protection, in June of last year. It was operating under the protection of the CCAA and the U.S. Bankruptcy Code since June 9, 2014.

The order to enforce the Canadian sale was filed June 4 in the U.S. courts.

