

# African Gold Group Closes Over-Subscribed Non-Brokered Private Placement for \$2.4M in Gross Proceeds

22.05.2014 | [Marketwired](#)

TORONTO, ONTARIO--(Marketwired - May 22, 2014) - **African Gold Group, Inc.** (TSX VENTURE:AGG) ("**AGG**" or the "**Company**") is pleased to announce the closing of its over-subscribed, previously announced, non-brokered private placement offering (the "**Offering**"). The Offering consisted of 20,005,208 Units (the "**Unit**") at a price of C\$0.12 per Unit for gross proceeds of C\$2,400,625. Each Unit is comprised of one common share and one-half (1/2) of one common share purchase warrant (a "**Warrant**"). Each whole Warrant entitles the holder to purchase one additional common share of AGG at a price of C\$0.18 per common share at any time prior to 5:00 pm (Toronto time) on May 21, 2016.

**President and CEO of AGG, Mr. Declan Franzmann comments**, "We are extremely pleased with the interest shown in this oversubscribed financing. From our perspective, this demonstrates the confidence our shareholders have with our objective of becoming a gold producer by 2016. The Company now has sufficient funds to fast-track the completion of the mine planning and feasibility study for AGG's Kobada Gold Project, prior to year-end (2014). In conjunction with this milestone AGG will submit an application to the Mali Ministry of Mines with the objective of securing a Mining License to commence production at Kobada."

Four officers, directors and affiliates of the Company, being Declan Franzmann, Marco Durante, David Brown and Jaimie MacPherson (the "**Purchasing Insiders**"), purchased an aggregate of 8.4% of the securities issued pursuant to the Offering. The Offering was considered and approved by the board of directors of the Company, with Marco Durante and David Brown declaring a conflict and recusing themselves from voting on the Offering. There was no materially contrary view or abstention by any director approving the Offering.

Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the purchase by the Purchasing Insiders was a "related party transaction" but the Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Offering.

AGG paid eligible persons (the "**Finders**") a finder's fee equal to 5% of the gross proceeds from the Units placed by each Finder in cash or common shares and also issued compensation warrants (each a "**Compensation Warrant**") equal to 5% of the total number of Units placed through each Finder under the Offering. Each Compensation Warrant entitles the holder to acquire one common share at \$0.12 at any time prior to 5:00 pm (Toronto time) on May 21, 2015. On closing of the Offering, the Company issued 22,916 common shares, 558,749 Compensation Warrants and paid aggregate cash fees in the amount of \$64,300 to the Finders.

The securities issued pursuant to the Offering are subject to a regulatory hold period of four months and one day from the date of issuance. The Offering remains subject to final TSX Venture Exchange acceptance of requisite regulatory filings. Post completion of the closing, AGG will have a total of 158,270,308 common shares outstanding.

AGG intends to use proceeds of the Offering for: completion of the Feasibility Study for its Kobada Gold Project in south-western Mali; for metallurgical testing on two separate 2 tonne bulk samples - one sample consisting of lateritic ore and the second sample comprised of saprolitic ore; mine planning studies and general working capital. The feasibility study is on track for completion in Q4 2014 and is based on a 1.6 million tonne per annum throughput focusing on the lateritic and saprolitic orebodies. It is the Company's intention to submit an application to obtain an Exploitation License to the appropriate Malian authorities before the end of 2014, with plans to initiate pre-production infrastructural development in Q1 2015.

## About African Gold Group

[African Gold Group Inc.](#), based in Toronto, Canada, is fully focused on transitioning from an exploration development company into a gold producer. In conjunction with this objective, a full Feasibility Study is currently underway for AGG's Kobada, Mali gold project. The Company is projecting the Feasibility Study will be completed in Q4 2014, at which time; the Company will submit an application to obtain an Exploitation License to the appropriate Malian authorities. Additional Information is available under the AGG's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.africangoldgroup.com](http://www.africangoldgroup.com).

On Behalf of the Board:

Michael A. J. Nikiforuk, Executive Director

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*This press release includes certain "Forward-Looking Statements." All statements, other than statements of historical fact included herein, including without limitation, statements regarding future plans and objectives of African Gold Group; and statements regarding the ability to develop and achieve production at Kobada are forward-looking statements that involve various risks and uncertainties.*

*There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from African Gold Group's expectations have been disclosed under the heading "Risk Factors" and elsewhere in African Gold Group's documents filed from time-to-time with the TSX Venture Exchange and other regulatory authorities. African Gold Group disclaims any intention or obligation to update or revise any forward looking statements whether resulting from new information, future events or otherwise, except as required by applicable law.*

## Contact

[African Gold Group Inc.](#)  
Michael A. J. Nikiforuk  
(647) 288-0453  
[majn@africangoldgroup.com](mailto:majn@africangoldgroup.com)  
[www.africangoldgroup.com](http://www.africangoldgroup.com)

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