

# Comstock Metals Ltd. Announces First Closing of Private Placement Raising \$1.46 Million

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VANCOUVER, June 10, 2016 - [Comstock Metals Ltd.](#) (TSX VENTURE: CSL) ("Comstock" or the "Company") is pleased to announce that it has completed the first closing of its previously announced unit and flow-through share offering. In the first closing the Company issued a total of 10,458,397 units at a price of \$0.12 per unit and 1,399,736 flow-through shares at a price of \$0.15 per share for total gross proceeds of \$1,464,968.04.

Each Unit consists of one common share and one non-transferable common share purchase warrant (a "Warrant"). Each whole Warrant is exercisable into a common share of Comstock (a "Warrant Share") for a period of 24 months at an exercise price of \$0.18 per Warrant Share. The Warrants include an acceleration clause, whereby, if the weighted average trading price of the Company's common shares on the TSX Venture Exchange (or such other exchange on which the common shares may trade) is at a price equal to or greater than \$0.36 for a period of 20 consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants. If the Company exercises such right, it will give written notice to the holders of the Warrants that the Warrants will expire 30 days from the date of notice to the Warrant holders. Such notice by the Company to the holders of the Warrants may not be given until 4 months and one day after the closing date.

The offering is subject to a maximum size of \$1,500,000 units and \$300,000 flow-through shares and the Company may complete one or more additional closings.

In connection with the closing, the Company issued an aggregate of 337,050 unit broker warrants (the "Unit Broker Warrants"), 30,333 common share broker warrants (the "Common Share Broker Warrants") and paid an aggregate of \$47,096 in cash to certain finders. Each Unit Broker Warrant entitles the holder thereof to purchase one unit of the Company until June 9, 2018 at an exercise price of \$0.12 per unit. Each unit consists of one common share of the Company and one common share purchase warrant of the Company with the same terms as the Warrant. Each Common Share Broker Warrant entitles the holder thereof to purchase one common share of the Company until June 9, 2018 at an exercise price of \$0.15 per share. The Unit Broker Warrants have the same terms as the Warrants.

The securities issued in connection with the offering and the common shares issuable on exercise of the Warrants, the Unit Broker Warrants and Common Share Broker Warrants were issued pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. Such securities are subject to a four month hold period which will expire October 10, 2016.

Pursuant to the offering, the Company issued securities to purchasers that are considered "related parties" (within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101")), making the offering a "related party transaction" (within the meaning of MI 61-101) (the "Related Party Subscriptions"). The Company was exempt from obtaining a formal valuation for, and minority approval of, the Related Party Subscriptions pursuant to Section 5.5(b) and 5.7(b) of MI 61-101, respectively.

The material change report to be filed in connection with the offering will be filed less than 21 days prior to the closing of the offering. The shorter period was necessary in order to permit the Company to close the offering in a timeframe consistent with usual market practice for transactions of this nature.

The Company will use the gross proceeds of the offering of flow-through shares for eligible exploration expenditures, which will constitute "Canadian Exploration Expenses" ("CEE") that are "Flow-Through mining expenditures", as defined in the Income Tax Act (Canada) which can be renounced to purchasers of the flow-through shares for the 2016 taxation year in the aggregate amount of not less than the total amount of the gross proceeds raised from the flow-through offering. The CEE shall be incurred no later than December 31, 2017. The proceeds from the offering of units will be used to fund exploration on the Company's mineral properties and for general working capital.

## About Comstock Metals Ltd.

[Comstock Metals Ltd.](#) is a mineral exploration company. Its flagship 16,335 hectare QV Property is located in

the White Gold district of the Yukon Territory, approximately 70 kilometres south of Dawson City and 44 kilometres northeast of the Coffee project of Kaminak Gold Corporation, which is being acquired by Goldcorp Inc. in a deal valued at C\$520 million. To date, the Company has completed 3,400 metres of drilling in 17 drill holes which formed the basis for a maiden Inferred mineral resource totalling 4.4 million tonnes grading 1.65 g/t Au containing 230,000 ounces of gold at a 0.5 g/t Au cut-off (See Comstock July 8, 2014 News Release). The VG Deposit remains open in all directions and is proximal to other untested sub-parallel structures. The VG Zone has similar geology and style of mineralization to Kinross's Golden Saddle deposit, located 11 kilometres to the south. Additional promising targets exist on the QV Project, with potential for the discovery of significant intrusion related and/or orogenic gold mineralization. The infrastructure associated with the development of the Coffee project, including upgrading and completion of the mine access road, will benefit all projects in the district, including the QV Property.

Comstock has entered into entered into a letter of intent in respect of a proposed purchase by Comstock of Select Sands' Preview SW gold project located in the La Ronge district of Saskatchewan and Select Sands' early-stage Old Cabin property in Ontario for 20 million common shares in the capital of Comstock (see May 16, 2016 News Release).

Comstock also owns early stage uranium claims in the Patterson Lake area of Saskatchewan and has recently optioned out its Corona property in Mexico (see January 28, 2016 News Release).

David A. Terry, Ph.D., P.Geol., a Qualified Person as defined by National Instrument 43-101, has reviewed and approved the scientific and technical disclosure in this news release.

### **Forward Looking Statements**

*This news release includes forward-looking information and statements, which may include, but are not limited to, information and statements regarding or inferring the future business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs of the Company. Such statements include statements regarding the anticipated timing of the trading on the Exchange on a consolidated basis. Information and statements which are not purely historical fact are forward-looking statements. Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. The assumptions on which the forward looking statements contained herein rely include the ability to complete the financing. Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.*

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### **Contact**

For more information about Comstock Metals Ltd., please go to [www.comstock-metals.com](http://www.comstock-metals.com) or contact:  
David A Terry, Ph.D., P.Geol.  
President, CEO and Director  
[Comstock Metals Ltd.](http://www.comstock-metals.com)  
Phone: (604) 639-4533  
Email: [info@comstock-metals.com](mailto:info@comstock-metals.com)

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