

Debut Diamonds Inc. Announces Closing of Private Placement and Debt Conversion

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Toronto, January 9, 2019 - [Debut Diamonds Inc.](#) (CSE: DDI) ("Debut Diamonds" or the "Company") is pleased to announce the closing of its previously announced non-brokered private placement for gross proceeds of \$600,000 (the "Private Placement") and the settlement of \$90,000 in debt (the "Debt Conversion"; together with the Private Placement, the "Transactions"). Under the Private Placement, the Company issued an aggregate of 200,004,000 units ("Units") at a price of approximately \$0.003 per Unit, or \$0.05 per Unit after adjusting for the Consolidation (as defined below) (the "Issue Price"). Each Unit is comprised of one (1) common share of Debut (a "Common Share") and one half of one (1/2) Common Share purchase warrant (each whole warrant, a "Warrant"), with each Warrant being exercisable into one Common Share at the Issue Price for a period of five years following closing of the Private Placement. Under the Debt Conversion, the Company issued 30,000,600 Common Shares at a deemed price equal to the Issue Price in settlement of certain outstanding debt.

The Transactions were completed pursuant to the grant of a discretionary waiver of the Canadian Securities Exchange (the "CSE") minimum price requirement based on the Company's undertaking to seek shareholder approval of a share consolidation on or before the date that is six months following the closing date of the Transactions. The Company intends to consolidate its outstanding Common Shares on the basis of 16.667 existing common shares for one (1) new common share (the "Consolidation") and will seek shareholder approval of the Consolidation at the Company's next annual meeting of its shareholders. The Company currently has 434,264,534 Common Shares issued and outstanding. If the Consolidation is approved by shareholders and implemented by the Company, the Company will have approximately 26,055,351 Common Shares issued and outstanding.

MI 61-101 Disclosure

[KWG Resources Inc.](#) ("KWG") was, at the time the Debt Conversion was agreed to, considered a "control person" of the Company under applicable securities laws. Accordingly, the Debt Conversion is considered a "related party transaction" under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). However, the Debt Conversion, insofar as it involves KWG, is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the debt settled by KWG under the Debt Conversion, nor the fair market value of the Common Shares issued in settlement thereof, exceeds 25% of the Company's market capitalization. A material change report regarding KWG's participation in the Debt Conversion was not filed more than 21 days prior to closing since the extent of KWG's participation was not fully determined at that time.

Early Warning Disclosure

Prior to the Transactions, Greg Wilson of Ottawa, Ontario held 36,734,550 Common Shares. Pursuant to the Transactions, the Mr. Wilson has acquired (i) 62,501,250 Common Shares, which, together with the Common Shares held prior to the Transactions, represents approximately 22.85% of the issued and outstanding Common Shares on an undiluted basis, and (ii) 30,000,600 Warrants, which together with such acquired Common Shares, and assuming full exercise of the Warrants, represents approximately 27.84% of the issued and outstanding Common Shares on a partially diluted basis (assuming exercise of Mr. Wilson's convertible securities). Mr. Wilson acquired these securities for investment purposes and may, from time to time, acquire additional securities of Debut Diamonds or dispose of such securities as Mr. Wilson may deem appropriate.

Prior to the Transactions, Prior to the Transactions, Jason I. Goldman Professional Corporation ("JGPC"), a corporation incorporated under the laws of Ontario, held 36,734,550 Common Shares. Pursuant to the Transactions, JGPC has acquired (i) 62,501,250 Common Shares, which, together with the Common Shares held prior to the Transactions, represents approximately 22.85% of the issued and outstanding Common Shares on an undiluted basis, and (ii) 30,000,600 Warrants, which together with such acquired Common Shares, and assuming full exercise of the Warrants, represents approximately 27.84% of the issued and outstanding Common Shares on a partially diluted basis (assuming exercise of JGPC's convertible securities). JGPC acquired these securities for investment purposes and may, from time to time, acquire

additional securities of Debut Diamonds or dispose of such securities as JGPC may deem appropriate.

Prior to the Transactions, Marc Lustig of West Vancouver, British Columbia held 36,734,550 Common Shares. Pursuant to the Transactions, Mr. Lustig has acquired (i) 62,501,250 Common Shares, which, together with the Common Shares held prior to the Transactions, represents approximately 22.85% of the issued and outstanding Common Shares on an undiluted basis, and (ii) 30,000,600 Warrants, which together with such acquired Common Shares, and assuming full exercise of the Warrants, represents approximately 27.84% of the issued and outstanding Common Shares on a partially diluted basis (assuming exercise of Mr. Lustig's convertible securities). Mr. Lustig acquired these securities for investment purposes and may, from time to time, acquire additional securities of Debut Diamonds or dispose of such securities as Mr. Lustig may deem appropriate.

Copies of the respective early warning reports that will be filed by Mr. Wilson, JGPC, and Mr. Lustig may be obtained on the Company's SEDAR profile or by contacting the Company at 416 642-3575.

Additional Information

For additional information on Debut Diamonds Inc.:

Please visit the company's website at www.DebutDiamonds.com or contact Bruce Hodgman at (416) 642-3575, or at info@debutdiamonds.com.

About Debut Diamonds Inc.

Debut Diamonds has both joint-ventured and wholly-owned diamond exploration properties that include the previously discovered MacFadyen and Good Friday kimberlite pipes contained in a claim block contiguous to the DeBeers claim block containing the Victor Diamond Mine and other prospective diamond bearing kimberlite pipes, west of James Bay on Ontario's Attawapiskat River.

In addition, Debut Diamonds has an interest in the diamond bearing Kyle kimberlite pipes about 100 kilometers to the west.

Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws including statements regarding the Company's intention to obtain shareholder approval for and to implement the Consolidation. Although the Company believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the failure to obtain the requisite shareholder approvals, and the Company being unable to complete the Consolidation. The statements in this news release are made as of the date of this release.

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

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