

# Japan Gold Issues \$3.5 Million in Units Including \$1 Million Debt Conversion and Announces Second Financing Tranche of up to C\$2.5 Million

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Vancouver, May 11, 2020 - [Japan Gold Corp.](#) (TSXV:JG) (OTCQB:JGLDF) (the "Company") is pleased to announce that it has closed the first tranche of its previously announced non-brokered private placement (the "Private Placement") of 14,278,000 units of the Company (the "Units") at a price of C\$0.25 per Unit. This first closing included a lead order of C\$250,000 and the conversion of a C\$1,000,000 loan (previously announced on March 9, 2020) into Units of the Private Placement by [Southern Arc Minerals Inc.](#), a large shareholder of Japan Gold.

Based upon the strong demand for this equity offering, the Company has increased the size of the financing by up to C\$2.5 million with the second closing anticipated to occur within the next 30 days. Proceeds of the Private Placement will be used primarily for the Company's exploration activities and for general working capital. The Company would like to thank CIBC Capital Markets and Red Cloud Securities for their assistance in closing this first tranche of the private placement.

John Proust, the Company's Chairman and CEO commented "I am pleased that investors continue to demonstrate confidence in the Company and its exploration activities in Japan, particularly in light of the global health crisis and the economic headwinds resulting from the pandemic. Japan Gold has been able to distinguish itself from other junior gold explorers by exclusively focusing on Japan with its unique geological attributes, rich history of high-grade gold mining and vast underexplored areas. Our portfolio of 30 Projects was the basis of the Barrick Gold Country-Wide Alliance and our first mover advantage has secured Newmont Corporation as a significant shareholder, validating our thesis that there are major gold deposits yet to be discovered in Japan."

Each Unit consists of one common share of the Company (each, a "Common Share") and one-half of one transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one Common Share at a price of C\$0.40 per Common Share for a period of 24 months from the date of closing. The Warrants contain a forced exercise provision if the closing price of the Common Shares on the TSX Venture Exchange is equal to or greater than C\$0.80 for a period of 10 consecutive trading days. The Common Shares will be subject to a hold period of four months and one day in accordance with applicable securities laws.

The Company has agreed to pay a finders fee in cash equal to 6.0% of the gross proceeds from the sale of Units to third parties sourced by the finders as well as warrants to purchase that number of Common Shares equal to 6.0% of the number of Units sold to third parties sourced by the finder. The finder's warrants will be exercisable at C\$0.25 per Common Share for a period of 12 months from the date of closing.

Japan Gold has also entered into a Financial Advisory Agreement with CIBC Capital Markets ("CIBC"). The Company will pay CIBC an initial fee of \$60,000 and issue 240,000 common share purchase warrants of the Company exercisable at \$0.25 per Common Share for a period of 12 months from the date of closing. The issuance of the common share purchase warrants is subject to TSX Venture Exchange approval.

In connection with the first closing of the Private Placement, the Company issued Units to persons that are insiders of the Company. The Company has determined that exemptions from the various requirements of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101") are available for the issuance of the Units to these related parties. The Company is relying on the exemptions from the formal valuation and minority approval requirements contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, on the basis that the fair market value of the

transaction does not exceed 25 per cent of the Company's market capitalization. The Company will file a material change report in relation to the foregoing "related party transaction", on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) under the Company's profile at [www.sedar.com](http://www.sedar.com). The Company did not file the material change report more than 21 days prior to the closing of the transaction due to the timing of the announcement and closing occurring in less than 21 days.

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent United States registration or an applicable exemption from United States registration requirements.

On behalf of the Board of Japan Gold Corp.

"John Proust"

Chairman & CEO

About Japan Gold Corp.

Japan Gold Corp. is a Canadian mineral exploration company focused solely on gold exploration across the three largest islands of Japan: Hokkaido, Honshu and Kyushu. The Company has a countrywide alliance with [Barrick Gold Corp.](#) to jointly explore, develop and mine certain gold mineral properties and mining projects. The Company holds a portfolio of 30 gold projects which cover areas with known gold occurrences, a history of mining and are prospective for high-grade epithermal gold mineralization. Japan Gold's leadership team represent decades of resource industry and business experience, and the Company has recruited geologists, drillers and technical advisors with experience exploring and operating in Japan. More information is available at [www.japangold.com](http://www.japangold.com) or by email at [info@japangold.com](mailto:info@japangold.com)

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Cautionary Note

Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This news release contains forward-looking statements relating to the second tranche of the Private Placement, the use of proceeds and the filing of a material change report.. These statements are forward-looking in nature and, as a result, are subject to certain risks and uncertainties that include, but are not limited to, general economic, market and business conditions; receipt and timing of regulatory approvals; new legislation; potential delays or changes in plans; and the Company's ability to execute and implement future plans. There is no guarantee that the second tranche of the private placement will close or that it will close in the expected time frame. Actual results achieved may differ from the information provided herein and, consequently, readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this news release. The Company disclaims any intention or obligation to update or revise forward-looking information or to explain any material difference between such and subsequent actual events, except as required by applicable law.

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