

Dolly Varden Announces \$4.5M Private Placement Financing

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VANCOUVER, May 20, 2020 - [Dolly Varden Silver Corp.](#) (TSX.V: DV | U.S.: DOLLF) (the "Company" or "Dolly Varden") is pleased to announce that the Company intends to undertake a private placement financing (the "Offering") to raise gross proceeds of up to \$4.5 million from the sale of up to 10 million common shares that qualify as "flow-through shares" as defined under the Income Tax Act (Canada) (the "FT Shares") at a price of \$0.45 per share. Continuing with his support of Dolly Varden, Mr. Eric Sprott is expected to subscribe for additional shares under the Offering to maintain his 19.9% interest (see press release of the Company dated May 19, 2020 announcing the previous offering (the "May 19th Offering")).

"We would like to thank our existing institutional shareholders and Mr. Eric Sprott for giving us this opportunity to fully optimize the quantity and quality of high-grade drill targets that have never been fully tested on the Dolly Varden property. With an exploration team that has extensive regional experience, we look forward to an aggressive exploration season with the war chest (+\$10M) required to achieve our exploration goals. Our exploration plan for 2020 will be focusing on the highest-grade targets for expanded mineralization and new silver discoveries." commented Shawn Khunkhun, Chief Executive Officer.

The proceeds raised by the Company from the sale of the FT Shares will be used to incur eligible "Canadian exploration expenses" that are "flow-through mining expenditures" (as such terms are defined in the Income Tax Act (Canada)), related to exploration of the Company's mineral properties located in British Columbia.

Mackie Research Capital Corporation and Eventus Capital Corp. have been appointed as Finders in connection with the Offering. The Company may pay a cash finder's fee of 6% of the gross proceeds received by the Company from investors introduced to the Company by such finders.

The issuance of the FT Shares under the Offering and the payment of the finder's fee are subject to the approval of the TSX Venture Exchange, receipt of any other required regulatory approvals and other customary closing conditions. Closing of the Offering is anticipated to occur on or about June 9, 2020, following closing of the May 19th Offering. Securities issued under the Offering will be subject to a four-month-and-one-day statutory hold period.

The net proceeds of the Offering will be used for further exploration, mineral resource expansion and drilling at the Dolly Varden silver property in northwestern British Columbia, Canada, as well as for working capital as permitted.

Pursuant to the ancillary rights agreement between Hecla Canada Ltd. and the Company dated September 4, 2012, Hecla will be entitled to acquire common shares at a price of \$0.40 per share to maintain its pro rata equity interest in the Company. If Hecla exercises its pro rata rights under the ancillary rights agreement, any common shares issued to Hecla will be in addition to those issued as part of the Offering.

The issuance of FT Shares to certain subscribers under the Offering who are insiders of the Company will be considered a related party transaction under Multilateral Instrument 61-101. The Company expects to rely on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of Multilateral Instrument 61-101 on the basis that participation in the Offering by certain insiders will not exceed 25% of the fair market value of the Company's market capitalization.

This release does not constitute an offer to sell or a solicitation of an offer to buy of any securities in the

United States. The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities laws or pursuant to available exemptions therefrom.

About Dolly Varden

[Dolly Varden Silver Corp.](#) is a mineral exploration company focused on exploration in northwestern British Columbia. Dolly Varden has two projects, the namesake Dolly Varden silver property and the nearby Big Bulk copper-gold property. The Dolly Varden property is considered to be highly prospective for hosting high-grade precious metal deposits, since it comprises the same structural and stratigraphic setting that host numerous other high-grade deposits (Eskay Creek, Brucejack). The Big Bulk property is prospective for porphyry and skarn style copper and gold mineralization similar to other such deposits in the region (Red Mountain, KSM, Red Chris).

Dolly Varden is also a member of the British Columbia Regional Mining Alliance, a cooperative effort between First Nations, Industry, and the BC Provincial Government, to promote mining activities and investment in the northwestern region.

Additional information about the Company and its activities may be found on the Company's website www.dollyvardensilver.com and under the Company's profile at www.sedar.com.

FORWARD-LOOKING STATEMENTS:

This release may contain forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Dolly Varden to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Forward looking statements or information relates to, among other things, the completion of the Offering and May 19th Offering, the receipt of TSXV and other regulatory approval with respect to the Offering, and the successful start of the 2020 exploration program, managing disruption with respect to COVID-19 guidelines, interpretation of the nature of the mineralization at the project and that that the mineralization on the project is similar to Eskay and Brucejack, results of the mineral resource estimate on the project, the potential to grow the project, the potential to expand the mineralization, the planning for further exploration work, the ability to de-risk the potential exploration targets, and our beliefs about the unexplored portion of the property. These forward-looking statements are based on management's current expectations and beliefs but given the uncertainties, assumptions and risks, readers are cautioned not to place undue reliance on such forward-looking statements or information. The Company disclaims any obligation to update, or to publicly announce, any such statements, events or developments except as required by law.

For additional information on risks and uncertainties, see the Company's most recently filed annual management discussion & analysis ("MD&A"), which is available on SEDAR at www.sedar.com and on the Company's website at www.dollyvardensilver.com. The risk factors identified in the MD&A are not intended to represent a complete list of factors that could affect the Company.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) [Dolly Varden Silver Corp.](#) Shawn Khunkhun, CEO & Director, sk@dollyvardensilver.com, Phone: 604-602-1440, www.dollyvardensilver.com accepts responsibility for the accuracy of the news release.

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