

# Pacton Enters into \$2.1 Million Financing Package with Sandstorm Gold Ltd. and Arranges Concurrent Private Placement of \$5,000,000 and Share Consolidation

27.05.2020 | [ACCESS Newswire](#)

VANCOUVER, May 27, 2020 - [Pacton Gold Inc.](#) (TSXV:PAC, OTC PINK:PACXF, FSE: 2NKN) (the "Company" or "Pacton") is pleased to announce that it has entered in a \$2,155,000 financing package (the "Transaction") with [Sandstorm Gold Ltd.](#) ("Sandstorm"), which includes the purchase of royalties by Sandstorm on all of Pacton's mineral properties and significant participation by Sandstorm in a \$5,000,000 private placement being undertaken by the Company (the "Private Placement"). The net proceeds from the royalty sale and the Private Placement will be used to fund continued exploration and development activities at the Company's Red Lake and Australian properties and for general working capital.

Dale Ginn, the Company's Executive Chairman stated, "We are very pleased to be entering into this long-term partnership with Sandstorm Gold. Our technical team is going to be hard at work over the coming period as we advance our projects in Canada and Australia. Thanks to the recent acquisitions, we have a land package of more than 28,000 ha in the prolific high-grade gold district of Red Lake, Ontario, where we expect to continue drilling this summer as well as conducting field work on the new claims. We also have comprehensive programs planned for our attractive land package in Western Australia, focusing along strike from De Grey Mining Ltd.'s (ASX:DEG) new Hemi deposit with shear hosted mineralization, as well as gold bearing gravels in the Egina district."

## Share Consolidation

The Company advises that prior to completion of the Private Placement and pursuant to a resolution of the Board of Directors of the Company, the Company will consolidate its common shares on a 10 to 1 basis, such that for every 10 common shares currently held, the holder will receive 1 post-consolidated common share (the "Consolidation").

There are currently 239,737,950 common shares issued and outstanding. Upon completion of the Consolidation, there will be approximately 23,973,795 common shares issued and outstanding. The exact number of post-consolidated shares will vary depending on the treatment of fractional shares, which will occur when each shareholder's holdings in the Company are consolidated. The Company will not issue any fractional common shares as a result of the Consolidation. Instead, all fractional shares resulting from the Consolidation will be rounded down to the nearest whole number.

## Private Placement

The Private Placement will consist of up to 7,142,857 post-consolidated common shares at \$0.70 per post-consolidated common share for total gross proceeds of up to \$5,000,000. Finders' fees may be payable in respect of the Private Placement pursuant to the policies of the TSX Venture Exchange ("TSXV"). Net proceeds of the Private Placement will be used for exploration and development of the Company's mineral properties and for general working capital. All securities issued under the Private Placement will be subject to statutory hold periods expiring four months from the date of issue of the securities.

## Sandstorm Transaction

Sandstorm has agreed to subscribe for 2,650,000 post-consolidated common shares in the Private Placement for total proceeds of \$1,855,000 and to pay Pacton \$300,000 in consideration for it granting

Sandstorm the following:

- net smelter returns royalties of either 0.5% or 1.0%, depending on the individual properties, on all mineral claims owned by the Company in the Red Lake District;
- net smelter returns royalties of either 0.5% or 1.0%, depending on the individual properties, on all mineral claims in which the Company is currently earning an option in the Red Lake District;
- 1.0% net smelter returns royalty all tenements the Company owns in Australia.

The Company has also assigned all of its current royalty buyback rights to Sandstorm, to the extent of the Company's interest.

The Transaction, Private Placement and Consolidation are subject to the acceptance of the TSXV.

#### About Pacton Gold

Pacton Gold is a Canadian exploration company with key strategic partners focused on the exploration and development of high-grade conglomerate and orogenic gold properties located in the district-scale Pilbara gold rush in Western Australia and the Red Lake District, Ontario.

On Behalf of the Board of [Pacton Gold Inc.](#)

R. Dale Ginn

Executive Chairman

For more information, please contact 1-(855)-584-0258 or [info@pactongold.com](mailto:info@pactongold.com).

This news release may contain or refer to forward-looking information based on current expectations, including, but not limited to the Company achieving success in exploring its properties and the impact on the Company of these events, including the effect on its share price. Forward-looking information is subject to significant risks and uncertainties, as actual results may differ materially from forecasted results. Forward-looking information is provided as of the date hereof and we assume no responsibility to update or revise such information to reflect new events or circumstances. References to other issuers with nearby projects is for information purposes only and there are no assurances the Company will achieve similar results.

Neither TSX Venture Exchange, the Toronto Stock Exchange nor their 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.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/352337--Pacton-Enters-into-2.1-Million-Financing-Package-with-Sandstorm-Gold-Ltd.-and-Arranges-Concurrent-Private-Pla>

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