

Dolly Varden Closes \$7.68M Financing and Strategic Investment by Eric Sprott

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VANCOUVER, June 11, 2020 - [Dolly Varden Silver Corp.](#) (TSX.V: DV) (OTC: DOLLF) (the "Company" or "Dolly Varden") pleased to announce that on June 10 it has closed two private placement financings (the "Offerings") to raise aggregate proceeds of approximately \$7.68 million, previously announced on May 19 and May 20, 2020, respectively. The Offerings consisted of the sale of: (i) 6,969,697 common shares in the capital of the Company (the "Common Shares") at a price of \$0.45 per share; and (ii) 10,000,000 Common Shares that qualify as "flow-through shares" as defined in the Income Tax Act (Canada) at a price of \$0.45 per share. The Offerings were fully subscribed and included a strategic investment by Mr. Eric Sprott.

Pursuant to the ancillary rights agreement between Hecla Canada Ltd. ("Hecla") and the Company, dated September 4, 2019, Hecla exercised its anti-dilution right in respect of the Offerings and acquired 1,311,989 Common Shares at a price of \$0.45 per share and 1,112,346 Common Shares at a price of \$0.40 per share to maintain its pro-rata equity interest in the Company. The securities issued to Hecla were in addition to those issued as part of the Offerings.

In connection with the Offerings, the Company paid Mackie Research Capital Corp. ("Mackie") \$54,000 and issued 418,000 Common Shares at a deemed price of \$0.33 per share as a finder's fee, equal to 6% of the gross proceeds received by the Company from purchasers under the Offerings who were introduced to the Company by Mackie. The Company paid Eventus Capital Corp. ("Eventus") a finder's fee of \$216,000, equal to 6% of the gross proceeds of the Offerings from those purchasers who were introduced to the Company by Eventus.

The net proceeds of the Offerings will be used for further exploration and mineral resource expansion of the Dolly Varden property in northwestern British Columbia, Canada and for ongoing working capital. The shares issued pursuant to the Offerings are subject to a statutory hold period which expires on October 11, 2020. A total of 103,766,058 Common Shares in the Company are outstanding following closing of the Offerings and the Hecla subscriptions.

Mr. Sprott is considered a related party of the Company under Multilateral Instrument 61-101 as a result of his ownership of more than 10% of the currently issued and outstanding Common Shares. As a result, the issuance of Common Shares to Mr. Sprott pursuant to the Offerings is considered a related party transaction. The Company relied on exemptions from the formal notice and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(1)(a) of Multilateral Instrument 61-101 on the basis that participation in the Offering by Mr. Sprott does not exceed 25% of the fair market value of the Company's capitalization.

About Dolly Varden Silver Corporation

[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, based on its similar structural and stratigraphic setting to other high-grade deposits (Eskay Creek, Brucejack) in the region. 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, KS, and Chris).

FORWARD-LOOKING STATEMENTS:

This release may contain forward-looking statements or forward-looking information under applicable Canadian securities legislation that may not be based on historical fact, including, without limitation, statements containing the words "believe", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", "potential" and similar expressions. Forward-looking information involves 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 proceeds with respect to the Offerings, the results of previous field work and programs and the continued operations of the exploration program, interpretation of the nature of the mineralization at the project and that that the mineralization on the property 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 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 and analysis ("MD&A"), which is available on SEDAR at www.sedar.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 TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this news release.

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 any available exemptions therefrom.

SOURCE [Dolly Varden Silver Corp.](#)

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