

O3 Mining Inc. Closes C\$40.2 Million "Bought Deal" Private Placement of Flow-Through Units and Units

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TORONTO, June 19, 2020 - [O3 Mining Inc.](#) (TSXV: OIII) ("O3 Mining" or the "Company") is pleased to announce that it has closed its previously-announced "bought deal" brokered private placement of (i) an aggregate of 4,651,200 flow-through units of the Company (the "FT Units") at a price of C\$4.30 per FT Unit for aggregate gross proceeds of approximately C\$20 million, and (ii) an aggregate 8,599,810 units of the Company (the "Units") at a price of C\$2.35 per Unit for aggregate gross proceeds of approximately C\$20.2 million, including the exercise in full of the underwriters' option and additional subscribers on the Company's President's List (the "Offering"). The gross proceeds of the Offering are approximately C\$40.2 million.

Each FT Unit under the Offering consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant a "Warrant") of the Company, which will qualify as "flow-through shares" (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) and section 359.1 of the *Taxation Act* (Qu?bec)). Each Unit consists of one common share of the Company and one-half of one Warrant. Each Warrant will entitle the holder thereof to purchase one common share of the Company (a "Warrant Share") at an exercise price of C\$3.25 for a period of 24 months following the closing of the Offering.

The Warrants shall be callable by the Company should the daily volume-weighted average trading price of the common shares of the Company on the TSX Venture Exchange exceed C\$3.85 for a period of ten (10) consecutive trading days, at any time during the period (i) beginning on the date that is four months and one day from the closing date of the Offering, and (ii) ending on the date the Warrants expire ("Call Trigger"). Following a Call Trigger, the Company may give notice in writing ("Call Notice") to the holders of Warrants that any Warrant that remains unexercised by the holder thereof shall expire thirty (30) days following the date on which the Call Notice is given.

The gross proceeds from the sale of the FT Units will be used by the Company to incur eligible "Canadian exploration expenses" that qualify as "flow-through mining expenditures" as both terms are defined in the *Income Tax Act* (Canada) (the "Qualifying Expenditures") related to the Company's projects in Qu?bec. The Qualifying Expenditures will be renounced in favour of the subscribers of the FT Units with an effective date no later than December 31, 2020, and in the aggregate amount not less than the total amount of the gross proceeds raised from the issuance of the FT Units. The net proceeds from the sale of the Units will be used by the Company for working capital and general corporate purposes.

The Offering was led by Cormark Securities Inc., Sprott Capital Partners LP, and Canaccord Genuity Corp., as co-lead underwriters and joint bookrunners, on behalf of a syndicate of underwriters (collectively, the "Underwriters"). In consideration for their services, the Company paid the Underwriters a cash commission equal to 5.0% of the gross proceeds of the Offering, excluding certain President's List subscribers.

All securities issued under the Offering will be subject to a hold period expiring four months and one day from the date of issuance. The Offering is subject to final acceptance of the TSX Venture Exchange. The securities 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 or to or for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The following "insiders" of the Company have subscribed for Units under the Offering:

Insider	Insider Relationship	Units Purchased (#)	Subscription Amount (\$)
Jos? Vizquerra Benavides ⁽¹⁾	Director and Senior Officer of O3 Mining; Director of Osisko Mining Inc. (a 10% securityholder of O3 Mining)	879,000	\$2,065,650
Blair Zaritsky	Senior Officer of O3 Mining; Senior Officer of Osisko Mining Inc. (a 10% securityholder of O3 Mining)	15,000	\$32,250
Don Njegovan	Senior Officer of Osisko Mining Inc. (a 10% securityholder of O3 Mining)	10,000	\$23,500
	Totals	904,000	\$2,124,400

Note: (1) Includes holdings of Mercedes Vizquerra.

Each subscription by an "insider" is considered to be a "related party transaction" for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company did not file a material change report more than 21 days before the expected closing date of the Offering as the details of the Offering and the participation therein by each "related party" of the Company were not settled until shortly prior to the closing of the Offering, and the Company wished to close the Offering on an expedited basis for sound business reasons. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. The Company is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on section 5.5(a) of MI 61-101 as the fair market value of the transaction, insofar as it involves interested parties, is not more than the 25% of the Company's market capitalization. Additionally, the Company is exempt from minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(b) of MI 61-101 as the fair market value of the transaction, insofar as it involves interested parties, is not more than the 25% of the Company's market capitalization.

About O3 Mining Inc.

O3 Mining, which forms part of the Osisko group of companies, is a mine development and emerging consolidator of exploration properties in prospective gold camps in Canada - focused on projects in Qu?bec and Ontario – with a goal of becoming a multi-million ounce, high-growth company.

O3 Mining is well-capitalized and holds a 100% interest in a number of properties in Qu?bec (435,000 hectares) and Ontario (25,000 hectares). O3 Mining controls 61,000 hectares in Val D'Or and over 50 kilometres of strike length of the Cadillac-Larder Lake Fault. O3 Mining also has a portfolio of assets in the James Bay and Chibougamau regions of Qu?bec.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates, projections and interpretations as at the date of this news release. The information in this news release about the transaction; and any other information herein that is not a historical fact may be "forward-looking information". Any statement that involves discussions with respect to predictions, expectations, interpretations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "interpreted", "management's view", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information. This forward-looking information is based on reasonable assumptions and estimates of management of the Company, at the time it was made, involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the companies to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to the timing and ability of the Company, if at all, to obtain final approval of the Offering from the TSX Venture Exchange; tax treatment of the FT Units; the timing of the tax renunciation to the subscribers, objectives, goals or future plans; and statements regarding exploration results and exploration plans.

Although the forward-looking information contained in this news release is based upon what management

believes, or believed at the time, to be reasonable assumptions, the parties cannot assure shareholders and prospective purchasers of securities that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither party nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. Neither party undertakes, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

Neither the TSX Venture Exchange nor its 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 news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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