

Northway Resources and Kenorland Minerals Announce Brokered Private Placement of Up to C\$12 Million

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VANCOUVER, Sept. 28, 2020 - [Northway Resources Corp.](#) (the "Company") (TSX Venture Exchange: NTW) and [Kenorland Minerals Ltd.](#) ("Kenorland") jointly announce that further to their press release dated September 14, 2020, Kenorland has entered into an agreement with a syndicate of agents led by Stifel GMP and including Canaccord Genuity Corp, Haywood Securities Inc., Laurentian Bank Securities Inc. and Echelon Wealth Partners Inc. (the "Agents") pursuant to which the Agents will undertake a brokered private placement of up to 12 million Kenorland subscription receipts (each, a "Subscription Receipt"), on a best efforts basis, at a price of C\$1.00 per Subscription Receipt (the "Offering Price") for gross proceeds of up to C\$12 million (the "Offering").

Kenorland has agreed to grant the Agents an option (the "Agents' Option"), which will allow the Agents to offer such number of additional Subscription Receipts as is equal to up to 25% of the Subscription Receipts issued under the Offering, having the same terms as the Subscription Receipts. The Agents' Option may be exercised in whole or in part at any time up to two days prior to the closing of the Offering. Each Subscription Receipt will entitle the holder thereof to receive, without any further action on the part of the holder or payment of any additional consideration, one common share of the resulting issuer (each, a "Resulting Issuer Share"), upon completion of the Transaction (as defined below) (the "Resulting Issuer"), subject to the satisfaction or waiver of the Escrow Release Conditions (as defined herein) prior to December 31, 2020 (or such later date as may be agreed to by Kenorland and the Agents) (the "Outside Date"), and provided that the Transaction has not otherwise been terminated.

As set out in the press release of September 14, 2020, Northway's acquisition of Kenorland is to be conducted by way of a three-cornered amalgamation among Northway, Kenorland and a wholly-owned subsidiary of Northway (the "Amalgamation") which will result in the reverse takeover of Northway by Kenorland (the "Transaction"). The Resulting Issuer is expected to be named "Kenorland Minerals Ltd." or such other name as the Company and Kenorland may determine.

As previously announced, prior to the completion of the Transaction, Northway intends to undertake a common share consolidation (the "Consolidation") on a 7-to-1 basis. In addition, pursuant to the Amalgamation, the common shares of Kenorland (the "Kenorland Shares") will be exchanged for common shares of the Resulting Issuer on a 1-for-2 basis. Following the Consolidation and Amalgamation, each Subscription Receipt will entitle the holder to receive one Resulting Issuer Share on completion of the Transaction. In the event that the Consolidation is not completed on a 7-to-1 basis and/or the exchange of Kenorland shares under the Amalgamation is not completed on a 1-for-2 basis, the number of Kenorland Shares that each Subscription Receipt will entitle a holder to acquire shall be adjusted accordingly.

The gross proceeds of the Offering less 50% of the Agents' fee and certain expenses will be held in escrow and, upon the satisfaction or waiver of certain conditions (the "Escrow Release Conditions"), including all conditions to the closing of the Transaction, the net proceeds will be released to the Company and the remaining Agents' fee will be released to the Agents. In the event that the Escrow Release Conditions are not satisfied by the Outside Date, the proceeds of the Offering will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled.

The net proceeds will be used by the Resulting Issuer, Kenorland Minerals Ltd., to fund exploration activities across its portfolio of projects in Alaska and Canada and for general corporate purposes.

Kenorland has agreed to pay the Agents a cash commission equal to 6.0% of the gross proceeds of the Offering (including any proceeds derived from exercise of the Agents' Option), other than in respect of proceeds of up to C\$8 million raised from purchasers on a President's list in respect of which the Agent will receive a corporate advisory fee of 2.0% of the gross proceeds. In addition, Kenorland will issue to the

Agents such number of broker warrants (each, a "Broker Warrant") as is equal to 6.0% of the aggregate Subscription Receipts sold under the Offering (Including on any exercise of the Agents' Option but excluding up to C\$8 million worth of sales to subscribers on the President's List), each of which will entitle the Agents to purchase one Kenorland Share at a price of at C\$1.00 for a period of 24 months following the date of issuance of the Broker Warrants.

Completion of the Transaction will be subject to a number of conditions, including but not limited to, closing conditions customary to transactions of this nature, including the completion of the Consolidation and Amalgamation, the completion of the Offering, approval of the shareholders of the Company and Kenorland, approvals of all regulatory bodies having jurisdiction in connection with the Transaction and approval of the TSX Venture Exchange including the satisfaction of its initial listing requirements. There can be no assurance that the Transaction will be completed as proposed or at all, or that the Escrow Release Conditions will be satisfied.

The Subscription Receipts will be offered by way of private placement pursuant to exemptions from prospectus requirements to residents in all Provinces of Canada and such other Canadian jurisdictions as may be agreed to by Kenorland and the Agents. Subject to applicable laws and the provisions of the agency agreement to be entered into among Kenorland, Northway and the Agents with respect to the Offering, the Agents may offer the Subscription Receipts outside of Canada, including in the United States in reliance with applicable private placement exemptions under United States federal and state securities laws.

The closing of the Offering is expected to take place on or around October 27, 2020.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. 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 U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The Exchange has not yet conditionally approved the listing of the Resulting Issuer Shares underlying the Subscription Receipts.

The Subscription Receipts will not be listed on any exchange and shall be subject to an indefinite hold period as set out in National Instrument 45-102 - Resale of Securities. The Resulting Issuer Shares issuable upon the conversion of the Subscription Receipts will not be subject to a hold period under applicable securities legislation in Canada.

Northway anticipates that certain "related parties" of Northway may participate in the Offering. Participation of such "related parties" in the Offering will constitute a "related party transaction" as defined under Multilateral Instrument 61-101 -- Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Northway expects that the Offering will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to insiders nor the consideration being paid by insiders will exceed 25% of Northway's market capitalization.

Forward-Looking Statements

This news release contains certain "forward looking statements" including, for example, statements relating to the completion of the Transaction and Offering, Use of Proceeds, the receipt of all necessary approvals and the Resulting Issuer's anticipated share capital. Such forward-looking statements involve risks and uncertainties, both known and unknown. The results or events depicted in these forward-looking statements may differ materially from actual results or events. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding and are implicit in, among other things: receipt of regulatory approvals, the Company's ability to complete the Transaction and Offering, the state of the capital markets, the impact of the COVID-19 pandemic, the ability of the Resulting Issuer to successfully manage the risks inherent in pursuing business opportunities in the mining industry, and the ability of the Resulting Issuer to obtain qualified staff, equipment and services in a timely and cost efficient manner to develop its business. Any forward-looking statement reflects information available to the Company as of the date of this news release and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future

events or results or otherwise.

For more information visit our website www.northwayresources.com

On behalf of the Board of Directors

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Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable pursuant to TSX-V requirements, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSX-V has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news release.

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 release

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