

# NorZinc announces details of C\$10 million rights offering and supporting commitment for C\$7.1 million

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**For any questions or assistance, please contact Laurel Hill directly at 1-877-452-7184 (toll-free in North America), or at 416-304-0211 (calls outside North America), or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com)**

VANCOUVER, Oct. 13, 2020 - [NorZinc Ltd.](#) (TSX: NZC)(OTCQB: NORZF) (the "Company" or "NorZinc") is pleased to announce that it will conduct a rights offering to raise gross proceeds of up to C\$10,000,000 (the "Rights Offering"), and has received a supporting commitment from its largest shareholder, RCFVI CAD LLC ("RCF"), to backstop C\$7,100,000 of the Rights Offering.

The Company will issue rights to existing eligible shareholders at the close of business on the record date of October 21, 2020 (the "Record Date"). Shareholders will receive one transferable right (a "Right") for each common share held. Approximately two and one-half Rights (2.535330987 Rights) will entitle a holder to purchase one (1) common share at a price of C\$0.065 per share.

By way of example:

A holder of 1,000 shares will receive 1,000 rights entitling them to subscribe for 394 shares ( $1,000 / 2.535330987 = 394.43$ , rounded down to 394 shares) for an aggregate subscription price of C\$25.61 ( $394 \times \text{C}\$0.065$  per share). Any calculations resulting in a fractional common share will be rounded down to the nearest whole number as no fractional shares will be issued under the Rights Offering.

Shareholders who exercise all of their Rights will also be entitled to subscribe for additional Rights, if available as a result of unexercised Rights, subject to certain limitations set out in the Company's rights offering circular.

Expiry Time

The Rights will trade on the TSX under the symbol NZC.RT commencing on the first trading day prior to the Record Date and until 12:00 p.m. (Toronto time) on November 18, 2020. The Rights will expire at 2:00 p.m. (Vancouver time) on November 18, 2020 (the "Expiry Time"), after which time unexercised Rights will be void and of no value.

Standby Commitment Agreement

In connection with the Rights Offering, the Company has entered into a supporting standby commitment agreement dated the date hereof (the "Standby Commitment Agreement") with RCF. RCF has agreed, subject to certain terms, conditions and limitations, to purchase its pro rata portion of the shares in the Rights Offering, and to exercise its additional subscription privilege to the extent necessary to ensure a minimum of C\$7,100,000 in the Rights Offering (the "Standby Commitment"). RCF will pay for its shares in the Rights Offering first, by setting off all obligations outstanding under the bridge loan, and second, in cash in accordance with the terms of the Rights Offering. Further details of the Standby Purchase Agreement are contained in the Circular and a copy of the Standby Commitment Agreement will be filed on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).

Details of the Rights Offering are contained in the Company's rights offering circular (the "Circular"), which will be filed on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).

Laurel Hill Advisory Group ("Laurel Hill") has been retained as NorZinc's Information Agent for the Rights Offering. For any questions or assistance, please contact Laurel Hill directly at 1-877-452-7184 (toll-free in North America), or at 416-304-0211 (calls outside North America), or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

## Rights Offering Details

A rights offering notice and rights certificate will be mailed to each registered shareholder of the Company resident in Canada as at the Record Date. Registered shareholders who wish to exercise their Rights must forward the completed rights certificate, together with the applicable funds, to the rights agent, Computershare Investor Services Inc., on or before the Expiry Time. Shareholders who own their Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary. Shareholders not resident in eligible jurisdictions may be able to participate in the Rights Offering where they can establish that the transaction is exempt under applicable legislation by completing and returning an exempt purchaser representation letter. If you are a holder of the Company's shares and reside outside of Canada, please review the rights offering notice, Circular and exempt purchaser representation letter to determine your eligibility and the process and timing requirements to receive and, or, exercise your Rights. The Company requests any ineligible shareholder interested in exercising their Rights to contact the Company at their earliest convenience. Further details of the Rights Offering are contained in the Circular.

Neither the Rights being offered or the shares issuable upon exercise of the Rights have been or will 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 exercised, offered or sold, as applicable, in the United States or to, or for the account or benefit of, a person in the United States or a U.S. Person (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company. There shall be no offer or sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification of such securities under the laws of any such jurisdiction.

The Company currently has 390,050,921 shares issued and outstanding. If all of the Rights issued under the Rights Offering are validly exercised, an additional 153,846,154 shares would be issued. The Company intends to use the net proceeds of the Rights Offering to repay the amount outstanding under its unsecured bridge credit facility with RCF, and for general working capital purposes.

## Early Warning Disclosure

RCF is providing the following additional information pursuant to the early warning requirements of applicable Canadian securities laws:

Prior to the entering into of the Standby Commitment Agreement, RCF beneficially owned an aggregate of 157,026,728 shares, representing approximately 43% of the issued and outstanding shares of the Company. Assuming none of the holders of Rights (other than RCF) take up their Basic Subscription Privilege and RCF provides its Standby Commitment in full, RCF would acquire an aggregate of 109,230,769 shares in connection with the Rights Offering and, following closing of the Rights Offering, RCF would beneficially own an aggregate of 266,257,497 shares, which would represent approximately 53% of the issued and outstanding Common Shares, an increase in RCF's shareholding percentage of approximately 10%. RCF may choose to acquire more shares in the Offering than is required by the Standby Commitment. The shares are being acquired for investment purposes. RCF may from time to time acquire additional securities, dispose of some or all of the existing or additional securities, or may continue to hold the securities of the Company. Pursuant to a second amended and restated investor rights agreement dated April 24, 2020 between RCF and the Company, RCF has the right to participate in future equity financings of the Company to maintain its then current equity ownership in the Company on terms no less favourable than those offered to other investors in such financings (subject to certain exceptions).

## About NorZinc

NorZinc is a TSX-listed mine development Company trading under the symbol "NZC". NorZinc is developing

its key project, the 100%-owned high grade zinc-lead-silver Prairie Creek Mine, located in the Northwest Territories. NorZinc also owns projects in Newfoundland that host several zinc-lead-copper-gold-silver deposits.

For further information:

Laurel Hill Advisory Group: 1-877-452-7184 (toll-free in North America), or at 416-304-0211 (calls outside North America), or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

Don MacDonald, President & CEO or Ambika Srinivas both on (604) 688-2001 or Tollfree:1-866-688-2001; E-mail: [IR@norzinc.com](mailto:IR@norzinc.com); Website: [www.norzinc.com](http://www.norzinc.com)

#### Cautionary statement regarding forward-looking information

Certain disclosures in this release constitute "forward-looking information" within the meaning of Canadian securities legislation (hereinafter referred to as "forward-looking statements"). Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur, including, without limitation, statements regarding the details of the Rights Offering, the provision of the Standby Commitment Agreement and the intended use of proceeds of the Rights Offering. In making the forward-looking statements in this news release, the Company has applied certain factors and assumptions that the Company believes are reasonable, including that the Rights Offering will be completed in accordance with its terms, and, if applicable, the Standby Commitment will be funded on the terms and timing as expected by management and will raise the expected proceeds. However, the forward-looking statements in this news release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements, including without limitation: (i) the risk that the Rights Offering will not be completed as expected by management or at all or will raise less than the expected proceeds, and (ii) the risk that the conditions of the commitment in the Standby Commitment Agreement are not satisfied, that the Standby Commitment Agreement is terminated, and, if applicable, that the commitment is not funded by RCF. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

SOURCE [NorZinc Ltd.](#)

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