

Magna Mining Closes Previously Announced Non-Brokered Private Placement for Gross Proceeds of Approximately C\$20.0 Million

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Sudbury, September 30, 2022 - [Magna Mining Inc.](#) (TSXV: NICU) ("Magna" or the "Corporation") is pleased to announce the closing of the Corporation's previously-announced non-brokered private placement, pursuant to which a total of 74,128,860 subscription receipts of the Corporation (the "Subscription Receipts") were issued at a price of \$0.27 per Subscription Receipt, for aggregate gross proceeds of \$20,014,792.20 (the "Offering").

Upon the satisfaction of the Escrow Release Conditions (as defined below) and without the payment of any additional consideration, each Subscription Receipt will entitle the holder thereof to receive one common share of the Corporation (each, a "Common Share") and one-half of one common share purchase warrant of the Corporation (each, a "Warrant"), with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of \$0.405 per Common Share for a period of three years following the date of issue of the Warrants.

The gross proceeds from the sale of the Subscription Receipts will be held in escrow by Computershare Trust Company of Canada, as subscription receipt agent, and released to the Corporation upon the satisfaction of certain escrow release conditions (the "Escrow Release Conditions"), which include the satisfaction of all conditions precedent to the closing of the Corporation's acquisition of Lonmin Canada Inc. ("Loncan") pursuant to the terms of a share purchase agreement dated August 15, 2022 (the "Acquisition"). If the Escrow Release Conditions are satisfied on or before the date that is 120 days following the closing of the Offering (the "Escrow Release Deadline"), the escrowed funds will be released to the Corporation. If the Escrow Release Conditions are not satisfied on or prior to the Escrow Release Deadline or the Corporation publicly announces that: (a) it does not intend to proceed with the Acquisition; (b) it does not intend to satisfy the Escrow Release Conditions; and / or (c) the Escrow Release Conditions are incapable of being satisfied by the Escrow Release Deadline, the escrowed proceeds, together with interest earned thereon, will be returned on a pro rata basis to the holders of the Subscription Receipts, and the Subscription Receipts will be cancelled and be of no further force and effect.

The Corporation intends to use the net proceeds of the Offering to fund the cash component of the purchase price for the Acquisition as well as ongoing exploration and development activities at Loncan's Denison Project, located in the Sudbury region of Ontario, Canada. All securities issued under the Offering will be subject to a hold period expiring four months and one day from the date hereof. The Offering is subject to final acceptance of the TSX Venture Exchange (the "Exchange").

In connection with the Offering, the Corporation will pay an aggregate cash finder's fee of \$738,120 to Paradigm Capital Inc., Canaccord Genuity Corp., Dundee Goodman Merchant Partners, Research Capital Corporation, Lakeshore Securities Inc., Echelon Wealth Partners Inc., and Haywood Securities Inc. as consideration for the provision of certain finder services to the Corporation.

Certain insiders of the Corporation have subscribed for an aggregate 19,775,588 Subscription Receipts under the offering for gross proceeds of approximately \$5.3 million. Each subscription by an "insider" is considered to be a "related party transaction" for the purposes of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Corporation 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 Corporation were not settled until shortly prior to the closing of the Offering and the Corporation wished to close the Offering on an expedited basis for sound business reasons. With respect to each insider's respective purchase of Subscription Receipts, the Corporation 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 such insider's subscription, is not more than 25% of the Corporation's market capitalization. Additionally, the Corporation is exempt from the minority shareholder

approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(1)(a) of MI 61-101 as the fair market value of each insider's respective purchase of Subscription Receipt, is not more than 25% of the Corporation's market capitalization.

Pursuant to the Offering, Hawke's Point Holdings II ("Hawke's Point") purchased 18,518,518 Subscription Receipts for aggregate gross proceeds of approximately \$5 million. In connection with Hawke's Point's subscription, Magna and Hawke's Point have agreed to enter into an investor rights agreement (the "Investor Rights Agreement") upon satisfaction of the Escrow Release Condition pursuant to which Hawke's Point will be entitled to certain customary investor rights, provided that Hawke's Point maintains certain ownership thresholds in Magna. Among other things, the Investor Rights Agreement will provide Hawke's Point with (i) the right to designate one director for appointment to the board of directors of Magna, (ii) the right to appoint a member to a technical steering committee to be formed by Magna, (iii) certain consultation rights, which include providing Hawke's Point with reasonable access to senior management and considering certain recommendations made by Hawke's Point. The Investor Rights Agreement will also include, among other things, pre-emptive and top-up rights in favour of Hawke's Point as well as a right of first offer in respect of any non-equity financing proposed to be undertaken by Magna.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States or any other jurisdiction. No securities may be offered or sold in the United States or in any other jurisdiction in which such offer or sale would be unlawful absent registration under the U.S. Securities Act of 1933, as amended, or an exemption therefrom or qualification under the securities laws of such other jurisdiction or an exemption therefrom.

About Magna Mining Inc.

Magna Mining is an exploration and development Corporation focused on nickel, copper and PGM projects in the Sudbury Region of Ontario, Canada. The Corporation's flagship asset is the past producing Shakespeare Mine which has major permits for the construction of a 4500 tonne per day open pit mine, processing plant and tailings storage facility and is surrounded by a contiguous 180km² prospective land package. Additional information about the Corporation is available on SEDAR (www.sedar.com) under the Corporation's issuer profile and on the Corporation's website (www.magnamining.com).

For further information on this news release, visit www.magnamining.com or contact:

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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, including with respect to the use of proceeds of the Offering, the timing and ability of Magna to satisfy the customary listing conditions of, and receive final acceptance of the Offering from, the Exchange (if at all), and the timing and ability of Magna to complete the Acquisition and satisfy the Escrow Release Conditions (if at all); and any other information herein that is not a historical fact may be "forward-looking information".

This forward-looking information is based on reasonable assumptions and estimates of management of the Corporation, at the time such assumptions and estimates were made, and involves known and unknown risks, uncertainties or other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or

implied by such forward-looking information. Forward-looking statements are not historical facts and are subject to several risks and uncertainties beyond the Corporation's control, including statements regarding the Acquisition, the potential of the Denison project, and statements regarding beliefs, plans, expectations, or intentions of the Corporation. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law.

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.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this news release.

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