

# Oceanic Announces Closing Of \$50 Million Equity Financing

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All amounts are in Canadian Dollars unless otherwise noted

[Oceanic Iron Ore Corp.](#) (TSXV: FEO) ("Oceanic", or the "Company") is pleased to announce the successful closing of its previously announced private placement of 66,666,800 units of the Company (each, a "Unit") at a price of \$0.75 per Unit (the "Offering Price") for aggregate gross proceeds of \$50,000,100 (the "Offering"). Each Unit is comprised of one common share of the Company ("Common Share") and one-half of one warrant of the Company (each full warrant, a "Warrant"). Each whole Warrant will be exercisable to purchase one Common Share at an exercise price of \$0.95 per Common Share, expiring on February 12, 2029.

The Offering is comprised of (i) a "bought deal" brokered private placement of 17,250,000 Units at the Offering Price for aggregate gross proceeds of \$12,937,500 (the "Bought Deal Offering"), which includes the full exercise of the underwriters' option (the "Underwriters' Option"), and (ii) a non-brokered private placement of 49,416,800 Units at the Offering Price for aggregate gross proceeds of \$37,062,600 (the "Non-Brokered Offering"). The Bought Deal Offering was led by National Bank Financial Inc., as joint bookrunner and co-lead underwriter, alongside Haywood Securities Inc., as joint bookrunner and co-lead underwriter (together, the "Underwriters").

The net proceeds of the Offering will be used to fund permitting and development costs for the Company's Hopes Advance, Morgan Lake, and Roberts Lake iron ore projects in Northern Québec, Canada, for advancing strategic investment initiatives, and for general corporate purposes.

In connection with the Bought Deal Offering, the Underwriters were paid a cash fee of \$776,250, equal to 6% of the gross proceeds from the sale of such Units, including any Units sold pursuant to the Underwriters' Option.

The Units were offered in each province and territory of Canada, as well as the United States and other jurisdictions pursuant to available prospectus and/or registration exemptions and applicable securities laws. All securities issued pursuant to the Offering will be subject to a 4-month and one day hold period in accordance with applicable Canadian securities laws.

All holders of the Company's convertible debentures converted their respective debentures contemporaneously with the closing of the Offering (the "Conversions"). This resulted in the issuance of 32,892,521 common shares and 32,892,521 share purchase warrants of the Company. Furthermore, a total of 1,407,000 share purchase warrants were exercised for proceeds totalling \$267,330. As at the time of this news release, there are 254,552,802 issued and outstanding common shares of the Company.

Certain insiders of the Company subscribed for Units under the Non-Brokered Offering. Each of the insiders' participation constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on the exemptions from the formal valuation requirements contained in section 5.5(a) of MI 61-101 and the minority shareholder approval requirement contained in section 5.7(1)(a) of MI 61-101, as the fair market value of the securities to be distributed to the insiders is not more than 25% of the Company's market capitalization, as calculated in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transactions at least 21 days before the closing of the Non-Brokered Offering, as the details of the participation by the related parties were not settled until shortly prior to closing of the Non-Brokered

## Offering.

The Units have not been registered and will not be registered under the U.S. Securities Act, or any state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, "U.S. Persons" (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended) 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 nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

## Early Warning Disclosure - Steven Dean

Pursuant to the Non-Brokered Offering, Mr. Steven Dean, through his related entity Sirocco Advisory Services Ltd. ("Sirocco") that is beneficially owned and controlled by Mr. Dean, acquired a total of 334,000 Units, comprising 334,000 Common Shares and 167,000 Warrants, for cash consideration of \$250,500.

Pursuant to the Conversions, Mr. Dean, through Sirocco, converted the following debentures (the "Dean Debentures"):

- A Series A convertible debenture in the amount of \$33,000 into 330,000 Common Shares and 330,000 share purchase warrants exercisable at \$0.07 per share purchase warrant, expiring on September 26, 2027;
- A Series C convertible debenture in the amount of \$375,250 into 1,975,000 Common Shares and 1,975,000 share purchase warrants exercisable at \$0.19 per share purchase warrant, expiring on March 10, 2026;
- A Series D convertible debenture in the amount of \$296,000 into 2,960,000 Common Shares and 2,960,000 share purchase warrants exercisable at \$0.07 per share purchase warrant, expiring on September 26, 2027;

As a result of the Offering and the Conversions disclosed herein, Mr. Steven Dean, directly and indirectly, now owns and/or controls, in aggregate, 15,191,834 Common Shares, representing 5.97% of the current issued and outstanding Common Shares of the Company, 3,625,000 Stock Options, and 8,370,889 Warrants.

Prior to the Offering and the Conversions, Mr. Steven Dean held, directly and indirectly, or had control or direction over, an aggregate of 9,592,834 Common Shares of the Company, representing approximately 6.25% of the issued and outstanding shares of the Company and 15.64% of the issued and outstanding shares on a partially diluted basis assuming the conversion of the Dean Debentures and its related warrants, as well as the exercise of the stock options held.

Following the Offering and the Conversions, and assuming exercise of the warrants and stock options owned or controlled by Mr. Dean, Mr. Dean would own and/or control, directly and indirectly, 27,187,723 Common Shares, representing 10.20% of the issued and outstanding common shares of the Company on a partially diluted basis.

The Company has been advised that Mr. Dean acquired the Units and executed the conversion of the Dean Debentures for investment purposes and may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant.

## Early Warning Disclosure - Frank Giustra

Pursuant to the Non-Brokered Offering, Sestini and Co. Pension Trustees Ltd. ("Sestini"), an investment account controlled by Mr. Frank Giustra, acquired a total of 4,000,000 Units, comprising 4,000,000 Common Shares and 2,000,000 Warrants, for cash consideration of \$3,000,000.

Pursuant to the Conversions, Mr. Giustra, directly, through Sestini and through the Radcliffe Corporation (a Company controlled by Mr. Giustra), converted the following debentures (the "Giustra Debentures"):

- A Series A convertible debenture in the amount of \$200,000 into 2,000,000 Common Shares and 2,000,000 share purchase warrants exercisable at \$0.07 per share purchase warrant, expiring on September 26, 2027;
- A Series C convertible debenture in the amount of \$267,330 into 1,407,000 Common Shares and 1,407,000 share purchase warrants exercisable at \$0.19 per share purchase warrant, expiring on March 10, 2026;
- A Series D convertible debenture in the amount of \$205,000 into 2,050,000 Common Shares and 2,050,000 share purchase warrants exercisable at \$0.07 per share purchase warrant, expiring on September 26, 2027;

Furthermore, concurrent with the conversion of the Series C convertible debentures, Mr. Giustra, through Sestini, exercised 1,407,000 share purchase warrants at an exercise price of \$0.19/warrant into Common Shares for total proceeds of \$267,330 ("Giustra Warrant Exercise").

As a result of the Offering, the Conversions and the Giustra Warrant Exercise disclosed herein, Mr. Frank Giustra, directly and indirectly, now owns and/or controls, in aggregate, 41,602,201 Common Shares, representing 16.34% of the current issued and outstanding Common Shares of the Company, and 12,050,000 Warrants.

Prior to the Offering, the Conversions and the Giustra Warrant Exercise, Mr. Frank Giustra held, directly and indirectly, or had control or direction over, an aggregate of 30,738,201 Common Shares of the Company, representing approximately 20.01% of the issued and outstanding shares of the Company and 27.95% of the issued and outstanding shares on a partially diluted basis assuming the conversion of the Giustra Debentures and its related warrants.

Following the Offering and the Conversions, and assuming the exercise of the warrants owned or controlled by Mr. Giustra, Mr. Giustra would own and/or control, directly and indirectly, 53,652,201 Common Shares, representing 20.12% of the issued and outstanding common shares of the Company on a partially diluted basis.

The Company has been advised that Mr. Giustra acquired the Units, executed the conversion of the Giustra Debentures and executed the Giustra Warrant Exercise for investment purposes and may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant.

#### Early Warning Disclosure - Ryan Beedie

Pursuant to the Non-Brokered Offering, Mr. Ryan Beedie, through his related entity Beedie Capital Investments Ltd. ("Beedie Capital") that is beneficially owned and controlled by Mr. Beedie, acquired a total of 4,000,000 Units, comprising 4,000,000 Common Shares and 2,000,000 Warrants, for cash consideration of \$3,000,000.

Pursuant to the Conversions, Mr. Beedie, through Beedie Capital, converted the following debentures (the "Beedie Debentures"):

- A Series A convertible debenture in the amount of \$200,000 into 2,000,000 Common Shares and 2,000,000 share purchase warrants exercisable at \$0.07 per share purchase warrant, expiring on September 26, 2027;
- A Series B convertible debenture in the amount of \$837,500 into 8,375,000 Common Shares and 8,375,000 share purchase warrants exercisable at \$0.07 per share purchase warrant, expiring on November 29, 2028;
- A Series C convertible debenture in the amount of \$200,640 into 1,056,000 Common Shares and 1,056,000 share purchase warrants exercisable at \$0.19 per share purchase warrant, expiring on March 10, 2026;
- A Series D convertible debenture in the amount of \$304,000 into 3,040,000 Common Shares and 3,040,000 share purchase warrants exercisable at \$0.07 per share purchase warrant, expiring on September 26, 2027;

As a result of the Offering and the Conversions disclosed herein, Mr. Ryan Beedie, directly and indirectly,

now owns and/or controls, in aggregate, 42,374,523 Common Shares, representing 16.65% of the current issued and outstanding Common Shares of the Company, and 29,804,360 Warrants.

Prior to the Offering and the Conversions, Mr. Ryan Beedie held, directly and indirectly, or had control or direction over, an aggregate of 23,903,523 Common Shares of the Company, representing approximately 15.56% of the issued and outstanding shares of the Company and 33.79% of the issued and outstanding shares on a partially diluted basis assuming the conversion of the Beedie Debentures and its related warrants.

Following the Offering and the Conversions, and assuming exercise of the warrants owned or controlled by Mr. Beedie, Mr. Beedie would own and/or control, directly and indirectly, 72,178,883 Common Shares, representing 25.38% of the issued and outstanding common shares of the Company on a partially diluted basis.

The Company has been advised that Mr. Beedie acquired the Units and executed the conversion of the Beedie Debentures for investment purposes and may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant.

A copy of the early warning reports with respect to the foregoing will appear on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). To obtain a copy of these reports, please contact Chris Batalha, CEO and Director of the Company, at +1 (604) 566-9080 or [cb@oceanicironore.com](mailto:cb@oceanicironore.com).

OCEANIC IRON ORE CORP. ([www.oceanicironore.com](http://www.oceanicironore.com))

On behalf of the Board of Directors

"Chris Batalha"

CEO and Director

About Oceanic:

Oceanic is focused on the development of its 100% owned Hopes Advance, Morgan Lake and Roberts Lake iron ore development projects located on the coast in the Labrador Trough in Québec, Canada. Oceanic's flagship Hopes Advance Project has a NI 43-101 measured and indicated mineral resource of approximately 1.39 bn tonnes (Measured Resources - 774,241 tonnes at 32.2% Fe grade, Indicated Resources - 613,796 tonnes at 32.0% Fe) and enjoys the distinct advantage of being located at tidewater and not being reliant on third parties for key infrastructure such as port, power and especially bulk transportation to port (negating the need for any rail infrastructure).

In December 2019, the Company published the results of a preliminary economic assessment completed in respect of the flagship Hopes Advance project (the "Study") outlining a base case pre-tax NPV8 of USD\$2.4 bn (post-tax NPV8 of USD \$1.4 bn) over a 28 year mine life, and a life of mine operating cost of approximately USD \$30/tonne, producing a blast furnace concentrate product grading at 66.5%Fe with approximately 4.5% Silica.

More recently, the Company has completed preliminary metallurgical testwork that indicates the potential to produce a high-grade, direct reduction Iron product, based on bench-scale flotation testing which may be achievable with modest modifications to the existing flowsheet, thereby providing versatility in product choice and contributing to the global green-steel movement. Further information in respect of the Morgan Lake and Roberts Lake projects, both of which have been explored historically and which have defined historical resources, is also available on the Company's website.

Notes on Technical Disclosure

Mineral resources are not mineral reserves and do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There is no certainty that mineral resources will be converted to mineral reserves.

The Study is based on a Mineral Resource Estimate for the Hopes Advance Project, disclosed in a technical report titled "Preliminary Economic Assessment of the Re-Scoped Hopes Advance Property" with an effective date of December 19, 2019, and filed on SEDAR+ on January 31, 2020. The key assumptions, parameters and methods used to estimate the Mineral Resource Estimate and the identification of known legal, political, environmental or other risks that could materially affect the potential development of the mineral resources are described in such technical report. The Study is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the Study will be realized.

The technical information contained in this news release has been reviewed and approved by Eddy Canova P. Geo, a Consultant to the Company, a Qualified Person as defined by NI 43-101 and independent of the Company.

#### Forward Looking Statements:

This news release includes certain "Forward-Looking Statements" as that term is used in applicable securities law. All statements included herein, other than statements of historical fact, including, without limitation, statements regarding the Study, the assumptions and pricing contained in the Study, the economic analysis contained in the Study, the results of the Study, the development of the Hopes Advance project, mineral resources at the Project, the intended use of proceeds of the Offering; regulatory approval of the Offering; the and future plans and objectives of Oceanic are forward-looking statements that involve various risks and uncertainties. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "scheduled", "objective", "believes", "assumes", "likely", or variations of such words and phrases or statements that certain actions, events or results "potentially", "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. There can be no assurance that such statements will prove to be accurate, and actual results could differ materially from those expressed or implied by such statements. Forward-looking statements are based on certain assumptions that management believes are reasonable at the time they are made. In making the

forward-looking statements in this news release, the Company has applied several material assumptions, including, but not limited to, the assumption that: (1) there being no significant disruptions affecting operations, when the due to labor or supply disruptions, damage to equipment or otherwise; (2) permitting, development, expansion and power supply proceeding on a basis consistent with the Company's current expectations; (3) certain price assumptions for iron ore; (4) prices for availability of natural gas, fuel oil, electricity plants and equipment and other key supplies remaining consistent with current levels; (5) the accuracy of current mineral resource estimates on the Company's property; (6) labour and material costs increasing on a basis consistent with the Company's current expectations; and (7) the Company using the net proceeds of the Offering as anticipated. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risks and Uncertainties" in the Company's most recently filed MD&A (a copy of which is publicly available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Company's profile) and elsewhere in documents filed from time to time, including MD&A, with the TSX Venture Exchange and other regulatory authorities. Such factors include, among others, risks related to the ability of the Company to obtain necessary financing and adequate insurance; the ability of the Company to secure a partner for the Project; the economy generally; fluctuations in the currency markets; fluctuations in the spot and forward price of iron ore or certain other commodities (e.g., diesel fuel and electricity); changes in interest rates; disruption to the credit markets and delays in obtaining financing; the possibility of cost overruns or unanticipated expenses; and employee relations. Accordingly, readers are advised not to place undue reliance on Forward-Looking Statements. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise Forward-Looking Statements, whether as a result of new information, future events or otherwise.

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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