

Southern Arc Closes First Tranche of Private Placement, Balance of Closing Subject to Shareholder Approval

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Vancouver, November 1, 2019 - Southern Arc Minerals Inc. (TSXV: SA) ("Southern Arc" or the "Company") is pleased to announce it has closed the first tranche of its previously announced non-brokered private placement. The Company sold 2,150,000 common shares at a price of C\$0.35 per share for gross proceeds of C\$752,500 in the first tranche closing of the private placement.

No finder's fees were paid in connection with the financing. The proceeds of the private placement will be used for general working capital. Under applicable Canadian securities laws, the common shares are subject to a four-month and one day hold period, expiring on March 1, 2020.

John Proust, Southern Arc's Chairman and CEO, purchased 1,150,000 shares (C\$402,500) in the first tranche closing of the private placement through a trust, of which he is the sole trustee. As a result, Mr. Proust now has ownership and control over 3,101,733 shares, representing approximately 18.61% of the Company's issued and outstanding common shares. As previously announced, Mr. Proust wishes to purchase an additional 850,000 shares (C\$297,500), which upon issuance would result in Mr. Proust becoming a new "Control Person" of the Company (as such term is defined in the policies of the TSX Venture Exchange) assuming no further common shares of the Company are issued. In accordance with the policies of the TSX Venture Exchange, the Company will close on the balance of Mr. Proust's 2 million share subscription provided disinterested shareholder approval to the creation of Mr. Proust as a new "Control Person" of the Company is obtained at Southern Arc's upcoming annual general shareholders' meeting to be held in December 2019.

All securities issued pursuant to the private placement will be subject to statutory hold periods in accordance with applicable securities laws. This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent United States registration or an applicable exemption from United States registration requirements.

MI 61-101

The Company issued an aggregate of 1,810,000 common shares to certain insiders of the Company in the first tranche closing of the private placement in consideration for an aggregate of C\$633,500. The participation of each insider of the Company in the private placement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The transaction is exempt from the formal valuation requirements of MI 61-101 pursuant to section 5.5(a) and the minority shareholder approval requirements of MI 61-101 pursuant to section 5.7(1)(a) as the fair market value of the insiders' participation will not be more than 25% of the Company's market capitalization. The Company will be filing a material change report in respect of the related party transaction on SEDAR less than 21 days prior to the closing of the transaction due to the fact that the Company wished to close the transaction as soon as possible.

Early Warning Report

John Proust of Vancouver, B.C., announces that he has acquired 1,150,000 common shares of the Company, representing approximately 6.9% of the issued and outstanding common shares of the Company, through Gwen Proust 2018 Alter Ego Trust, of which Mr. Proust is the Sole Trustee. The securities were acquired at a price of C\$0.35 per share for an aggregate purchase price of C\$402,500 pursuant to the

private placement. The Company's head office is located at Suite 650, 669 Howe Street, Vancouver, B.C. V6C 0B4, Canada.

Immediately prior to the foregoing acquisition, Mr. Proust owned and/or had control over 1,951,733 common shares of the Company, representing approximately 13.44% of the issued and outstanding shares of the Company at that time, on an undiluted basis, of which 271,478 common shares were owned directly, 74,450 common shares were controlled indirectly through Dycor Communications Inc., 6,000 common shares were controlled indirectly through Gwen Proust, 1,548,805 common shares were controlled indirectly through J. Proust & Associates Inc. and 51,000 common shares were controlled indirectly through the Proust Family Trust. In addition, Mr. Proust also owns and/or has control over 500,000 warrants to purchase common shares and 280,000 stock options to purchase common shares.

As a result of the acquisition, Mr. Proust owns and/or has control over 3,101,733 common shares of the Company, representing approximately 18.61% of the issued and outstanding common shares of the Company, of which 271,478 common shares were owned directly, 1,150,000 common shares are controlled indirectly through Gwen Proust 2018 Alter Ego Trust, 74,450 common shares are controlled indirectly through Dycor Communications Inc., 6,000 common shares are controlled indirectly through Gwen Proust, 1,548,805 common shares are controlled indirectly through J. Proust & Associates Inc. and 51,000 common shares are controlled indirectly through Proust Family Trust. The acquisition resulted in an approximate 5.17% change in Mr. Proust's ownership and/or control over common shares of the Company on an undiluted basis. In addition, Mr. Proust also owns and/or has control over 500,000 warrants to purchase common shares and 280,000 stock options to purchase common shares. If Mr. Proust exercises all of his warrants and all of his stock options, he would then own and/or have control over, directly or indirectly, 3,881,733 common shares, representing approximately 22.25% of the issued and outstanding common shares of the Company on a partially diluted basis, assuming that no further common shares of the Company have been issued.

The securities acquired by Mr. Proust will be held for investment purposes. Mr. Proust intends to purchase an additional 850,000 shares (C\$297,500) subject to disinterested shareholder approval as described above and may, depending on market and other conditions, otherwise increase or decrease his ownership of the Company's securities, whether in the open market, by privately negotiated agreements or otherwise, subject to a number of factors, including general market conditions and other available investment and business opportunities.

The disclosure respecting Mr. Proust's shareholdings contained in this press release is made pursuant to Multilateral Instrument 62-104 and a report respecting the above acquisition will be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) and will be available for viewing at www.sedar.com.

On behalf of the Board of Southern Arc Minerals Inc.

"John Proust"
Chairman & CEO

About Southern Arc

Southern Arc is a Canadian company focused on enhancing shareholder value through strategic investments in mineral resource companies with a focus on gold and copper-gold. Southern Arc's management team identifies highly prospective assets in politically safe jurisdictions and seeks to unlock their value by providing strategic investments, proven technical skills, global knowledge, and increased access to industry relationships. More information is available at www.southernarcminerals.com or by email at info@southernarcminerals.com

Southern Arc Contact

Rafaela Vartuli
Corporate Communications Manager
Phone: 778-725-1486
Email: info@southernarcminerals.com

Cautionary Note

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

Certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the private placement and the completion thereof, the use of proceeds, the receipt of shareholder approval of the creation of a new control person of the Company, the closing of the balance of Mr. Proust's subscription and the filing of a material change report. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "intends", "may", "will be" or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including: the receipt of all necessary regulatory approvals, capital expenditures and other costs, and financing and additional capital requirements. Although management of Southern Arc have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward looking information. The Company will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

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