

CoTec Holdings Corp. Announces Initial Closing of Subscription Receipt Financing

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VANCOUVER, February 10, 2022 - [CoTec Holdings Corp.](#) (TSXV:CTH.H) (the "Corporation") is pleased to announce that it has completed an initial closing of its previously announced brokered and non-brokered private placement of subscription receipts (the "Private Placement"). The Private Placement is being undertaken in connection with the Corporation's previously announced proposed change of business from mineral exploration to an investment issuer (the "Proposed COB") under the rules of the TSX Venture Exchange ("TSXV").

Pursuant to the initial closing, the Corporation issued a total of 6,646,398 subscription receipts ("Subscription Receipts") at a price of \$0.55 per Subscription Receipts for gross proceeds of \$3,655,519.

The Corporation expects to complete a second closing of the Private Placement prior to the end of February 2022 and has received binding subscription commitments that will ensure that the aggregate gross proceeds from the Private Placement, after giving effect to the second closing, will be not less than \$6,000,000.

The Subscription Receipts were issued pursuant to a subscription receipt agreement entered into between the Corporation, Odeon Capital Group LLC (the "Agent") and Computershare Trust Company of Canada, as subscription receipt agent (the "Subscription Receipt Agreement"). Pursuant to the Subscription Receipt Agreement, each Subscription Receipt will be automatically exchanged for one unit of the Corporation (a "Unit"), for no additional consideration or action on the part of the holder, upon the satisfaction of certain escrow release conditions in connection with the Proposed COB, including the satisfaction or waiver of all conditions precedent to the completion of the investments proposed to be completed by the Corporation as part of the Proposed COB Transaction (the "Proposed Investments") having been satisfied or waived (the "Escrow Release Conditions"). The proceeds of the initial closing of the Private Placement are being held in escrow pending the satisfaction of the Escrow Release Conditions. If the Proposed COB is not completed within 90 days of the final closing of the Private Placement, the Subscription Receipts will be deemed to be cancelled and the holders of Subscription Receipts will receive an amount equal to the aggregate Subscription Price of their Subscription Receipts and the interest earned, if any, on such Subscription Price.

Each Unit consists of one common share of the Corporation (a "Common Share") and one common share purchase warrant of the Corporation (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.75 for a period of 12 months from the date of issuance.

The Corporation will use the net proceeds of the Private Placement to fund the Proposed Investments and for working capital and general corporate purposes.

The Corporation will pay a cash fee to the Agent in an amount equal to 5% of the aggregate proceeds raised in the Private Placement from subscribers identified by the Agent. 50% of this fee will be payable at the closing of the Private Placement and 50% will be payable upon the exchange of the Subscription Receipts for Units. In addition, upon the exchange of the Subscription Receipts, the Corporation will issue to the Agent compensation warrants equivalent to 5% of the number of Subscription Receipts issued to subscribers identified by the Agent. Each compensation warrant will be exercisable for one Common Share at an exercise price of \$0.55 per share for a period of 36 months from the issuance thereof. Pursuant the foregoing, at the initial closing of the Private Placement, the Corporation paid \$35,250 to the Agent in satisfaction of 50% of the Agent's cash fee in respect of the initial closing of the Private Placement.

In connection with the non-brokered portion of the Private Placement, the Corporation will pay a cash finder's fee to certain brokers whose clients participate in the Private Placement in an amount equal to 5% of the aggregate proceeds raised in the Private Placement from such subscribers. 50% of this fee will be payable at

the closing of the Private Placement and 50% will be payable upon the exchange of the Subscription Receipts for Units. In addition, upon the exchange of the Subscription Receipts, the Corporation will issue to brokers whose clients participate in the Private Placement compensation warrants equivalent to 5% of the number of Subscription Receipts issued to such subscribers. Each compensation warrant will be exercisable for one Common Share at an exercise price of \$0.55 per share for a period of 36 months from the issuance thereof. Pursuant the foregoing, at the initial closing of the Private Placement, the Corporation paid \$6,847.50 to PI Financial Corp., \$6,750 to Haywood Securities Inc. and \$625 to Canaccord Genuity Corp. in satisfaction of 50% of the cash finder's fee payable to such brokers in respect of the initial closing of the Private Placement.

The Subscription Receipts issued at each closing of the Private Placement, and the Common Shares and Warrants issued upon the exchange of the Subscription Receipts, along with any Common Shares issued upon the exercise of the Warrants, shall be subject to a hold period ending on the date that is four months and one day following such closing of the Private Placement. The compensation warrants described above, along with any Common Shares issued upon the exercise of the compensation warrants, shall be subject to a hold period ending on the date that is four months and one day following the issuance of the compensation warrants.

The Proposed COB is subject to a number of conditions including, without limitation, approval of the TSX Venture Exchange. There can be no assurance that the Proposed COB will be completed as proposed or at all. For further information regarding the Proposed COB, please refer to the Corporation's press releases dated December 10, 2021 and January 26, 2022.

Trading in the common shares of the Corporation were halted on December 10, 2021 and will remain halted until such time as determined by the TSXV, which may not be until completion of the Proposed COB.

For further information, please contact:
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Forward-Looking Information Cautionary Statement

Statements in this press release regarding the Corporation's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties, including statements relating to the expectation that the Proposed COB and the Private Placement will be completed on the terms described herein or otherwise, as well as management's expectations with respect to the adoption of new technologies across the mineral extraction industry and the benefits to the Corporation which may be implied from such statements. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Proposed COB, any information released or received with respect to the Proposed COB may not be accurate or complete and should not be relied upon.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the Proposed COB or proposed transactions and has neither approved nor disapproved the contents of this press release.

Neither 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 news release.

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