

# Magna Mining Closes C\$18 Million Private Placement of Flow-Through Shares and Common Shares

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Sudbury, January 25, 2023 - [Magna Mining Inc.](#) (TSXV: NICU) (the "Corporation") is pleased to announce that it has closed its previously announced "best efforts" private placement of an aggregate of (i) 8,236,914 common shares of the Corporation that will qualify as "flow-through shares" (the "Charitable Flow-Through Shares") (within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the "Tax Act") at a price of \$1.815 per Charitable Flow-Through Share for aggregate gross proceeds of approximately \$14.95 million; and (ii) 2,681,872 common shares of the Corporation (the "Common Shares") at a price of \$1.10 per Common Share for aggregate gross proceeds of approximately \$2.95 million (together, the "Brokered Offering"), including the full exercise of the option granted to the Agents. The Brokered Offering was led by Canaccord Genuity Corp., on behalf of itself and Research Capital Corporation, Paradigm Capital Inc., Desjardins Securities Inc. and BMO Capital Markets (collectively, the "Agents"). In addition, the Corporation also sold an additional 45,400 Common Shares at a price of \$1.10 per Common Share for aggregate gross proceeds of \$49,400 on a non-brokered private placement basis (the "Non-Brokered Offering", together with the Brokered Offering, the "Offering").

The gross proceeds from the issuance of the Charitable Flow-Through Shares will be used by the Corporation to incur eligible resource exploration expenses which will qualify as (i) "Canadian exploration expenses" (as defined in the Tax Act), and (ii) as "flow-through critical mineral mining expenditures" (as defined in subsection 127(9) of the Tax Act) (collectively, the "Qualifying Expenditures"). Qualifying Expenditures in an aggregate amount not less than the gross proceeds raised from the issue of the Charitable Flow-Through Shares will be incurred (or deemed to be incurred) by the Corporation on or before December 31, 2024 and will be renounced by the Corporation to the initial purchasers of the Charitable Flow-Through Shares with an effective date no later than December 31, 2023.

The Common Shares sold under the Offering do not qualify as "flow-through shares" for the purposes of the Tax Act. The Corporation intends to use the net proceeds from the sale of Common Share under the Offering for the projects of the Corporation and general corporate purposes.

In consideration for their services, the Corporation has paid the Agents a cash fee equal to \$1,016,999.88 and 603,305 compensation warrants. Each compensation warrant entitles the holder thereof to one common share of the Corporation at a price of \$1.10 per common share until the close of business on the date which is 24 months from the closing date of the Offering.

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.

Dundee Corporation ("Dundee"), through its wholly owned subsidiary, Dundee Resources Limited, has subscribed for 1,363,600 Common Shares under the Offering for an aggregate subscription amount of \$1,499,960. Prior to the Offering, Dundee and its affiliates owned or controlled 32,199,918 common shares and 9,259,259 warrants, representing approximately 21.6% of the issued and outstanding common shares of the Corporation prior to the Offering on a non-diluted basis (approximately 26.2% on a partially diluted basis). Subsequent to the Offering, Dundee and its affiliates own or control 33,563,518 common shares and 9,259,259 warrants, representing approximately 21.0% of the issued and outstanding common shares of the Corporation immediately following the Offering on a non-diluted basis (approximately 25.3% on a partially diluted basis).

The subscription by Dundee, an "insider" of the Corporation, is considered to be a "related party transaction" for 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 Dundee was 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. The Corporation is relying on exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. The Corporation is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on section 5.5(b) of MI 61-101 as the Corporation is not listed or quoted on a specified market. Additionally, the Corporation is exempt from 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 the transaction, insofar as it involves Dundee, is not more than the 25% of the Corporation's market capitalization.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States 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.

#### About Magna Mining Inc.

Magna Mining is an exploration and development company focused on nickel, copper and PGM projects in the Sudbury Region of Ontario, Canada. The Corporation's flagship assets are the past producing Shakespeare and Crean Hill Mines. The Shakespeare Mine is a feasibility stage project which has major permits for the construction of a 4,500 tonne per day open pit mine, processing plant and tailings storage facility and is surrounded by a contiguous 180km<sup>2</sup> prospective land package. Crean Hill is a past producing nickel, copper and PGM mine with an updated technical report dated August 2022. Additional information about the Corporation is available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Corporation's website ([www.magnamining.com](http://www.magnamining.com)).

For further information on this news release, visit [www.magnamining.com](http://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. Any statement that involves discussions with respect to predictions, expectations, interpretations, beliefs, plans, projections, objectives, assumptions, future events or performance including in respect of the use of proceeds of the Offering, the timing and ability of the Corporation to obtain final approval of the Offering from the TSX Venture Exchange, if at all, the tax treatment of the Flow-Through Shares; the timing of the renouncement of the Qualifying Expenditures in favour of the subscribers, if at all; the prospects of the Shakespeare and Crean Hill Mines (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. This forward-looking information is based on reasonable assumptions and estimates of management of the Corporation, at the time it was made, involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the companies to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Although the forward-looking information contained in this news release is based upon what management believes, or believed at the time, to be reasonable assumptions, the parties cannot assure shareholders and prospective

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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 news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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