

West Red Lake Gold Mines Ltd. Closes \$25,000,150 Bought Deal Offering in Connection With Acquisition of Madsen Gold Mine

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VANCOUVER, May 09, 2023 - [West Red Lake Gold Mines Ltd.](#) ("West Red Lake" or the "Company") (TSXV: WRLG) is pleased to announce, further to its news release dated April 17, 2023, the closing of the previously announced bought deal financing of 70,829,000 subscription receipts (the "Subscription Receipts") of West Red Lake, at a price of \$0.35 per Subscription Receipt (the "Issue Price"), together with 600,000 common shares of West Red Lake (the "Concurrent Shares") at the Issue Price, for aggregate gross proceeds of \$25,000,150 (the "Offering"). The Offering was led by Canaccord Genuity Corp., as sole underwriter (the "Underwriter"), and included exercise of the Underwriter's over-allotment option granted in connection with the Offering.

The Offering was conducted in connection with the previously announced acquisition (the "Acquisition"), whereby the Company will acquire the Madsen Gold Project through the acquisition of all of the issued and outstanding shares of Pure Gold Mining Inc. ("Pure Gold"), subject to, among other things, approval of the British Columbia Supreme Court in Pure Gold's ongoing proceedings pursuant to the *Companies Creditors Arrangement Act*.

The Subscription Receipts were issued pursuant to a subscription receipt agreement (the "Subscription Receipt Agreement") entered into among the Company, the Underwriter, and Odyssey Trust Company as subscription receipt agent. Pursuant to the Subscription Receipt Agreement, the gross proceeds of the Offering, less the proceeds received from the sale of the Concurrent Shares (the "Escrowed Funds"), will be held in escrow pending satisfaction of certain conditions, including but not limited to the satisfaction of certain conditions precedent to completion of the Acquisition (the "Escrow Release Conditions"). Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt will automatically convert, for no additional consideration, into one common share of the Company ("Underlying Shares"), subject to adjustments. If the Escrow Release Conditions have not been satisfied on or prior to August 7, 2023, subject to an extension by the Underwriter, the holders of Subscription Receipts will be returned a cash amount equal to the aggregate Issue Price of the Subscription Receipts and any interest that has been earned on the Escrowed Funds.

Upon satisfaction of the Escrow Release Conditions, the net proceeds received by the Company from sale of the Subscription Receipts and Concurrent Shares will be used to satisfy the initial cash consideration payable in connection with the Acquisition and for working capital purposes.

Certain insiders of the Company acquired Subscription Receipts pursuant to the Offering and as such a portion of the Offering is considered a related party transaction with the meaning of TSX Venture Exchange ("TSXV") Policy 5.9 and Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying upon the exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the shares subscribed for, nor the consideration paid for the shares, exceeds 25 per cent of the Company's market capitalization. The Company did not file a material change report more than 21 days before the expected closing of the Offering because the details of the participation therein by related parties of the Company were not settled until shortly prior to closing of the Offering and the parties wished to close on an expedited basis for business reasons.

The Underwriter will receive a cash commission equal to 6% of the gross proceeds of the Offering, except with respect to subscribers on the Company's "president's list" for which a cash commission equal to 2% of the gross proceeds of the Offering, which will be paid out of the Escrowed Funds upon satisfaction of the Escrow Release Conditions. As additional consideration, the Underwriter received 3,714,300 broker warrants (the "Broker Warrants"), with each Broker Warrant entitling the holder to acquire one common share of the Company at a price of \$0.35 per common share until 24 months after the satisfaction of the Escrow Release Conditions.

All securities issued in connection with the Offering are subject to a four month statutory hold period after the date of issuance. The Offering remains subject to the final approval of the TSXV.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the Subscription Receipts or Underlying Shares in the United States. The Subscription Receipts and the Underlying Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws and may not be offered or sold within the United States except pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

ABOUT WEST RED LAKE GOLD MINES LTD.

[West Red Lake Gold Mines Ltd.](#) is a mineral exploration company that is publicly traded and dedicated to creating value for its shareholders by discovering new gold mines in the highly productive Red Lake Gold District of Northwest Ontario, Canada. This district has yielded 30 million ounces of gold from high-grade zones and hosts some of the world's richest gold deposits. West Red Lake holds an extensive property position spanning 3,100 ha in West Red Lake, including three former gold mines - Rowan, Mount Jamie, and Red Summit. The West Red Lake Project covers a 12-km strike length along the Pipestone Bay St. Paul Deformation Zone and West Red Lake plans to continue exploring this property along strike and to depth aggressively in 2023.

ON BEHALF OF [West Red Lake Gold Mines Ltd.](#)

"Tom Meredith"

Tom Meredith
Chief Executive Officer

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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 release. The TSX Venture Exchange has neither approved nor disapproved the contents of this news release.

Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project", "scheduled", "will" or similar words suggesting future outcomes or statements regarding an outlook.

Forward-looking information in this press release includes, but is not limited to, the use of proceeds of the Offering, completion of the Acquisition, conversion of the Subscription Receipts, and the approval of the TSXV.

The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning: the closing of the Acquisition, receipt of the necessary approvals and access to and sufficiency of capital. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the ability to close the Acquisition within the timeframe or at all; constraint in the availability of services, commodity price and exchange rate fluctuations, changes in legislation impacting the mining industry, adverse weather conditions and uncertainties resulting from potential delays or changes in plans with respect to projects or capital expenditures. These and other risks are set out in more detail in the Company's Management's Discussion and Analysis for the year ended November 30, 2022.

The forward-looking information contained in this press release is made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this press release is expressly qualified by this cautionary statement.

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

The Company does not undertake any obligation to revise or update any forward- looking statements as a result of new information, future events or otherwise after the date hereof, except as required by securities laws.

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