

Dolly Varden Silver Announces Closing of \$10M Strategic Investment by Hecla

02.11.2023 | [Newsfile](#)

Vancouver, November 2, 2023 - [Dolly Varden Silver Corp.](#) (TSXV: DV) (OTCQX: DOLLF) (the "Company" or "Dolly Varden") is pleased to announce that, further to its news release dated October 30, 2023, the Company completed the sale of 15,384,616 common shares of the Company to Hecla Canada Ltd. ("Hecla") on November 1, 2023 at a price of \$0.65 per Common Share for gross proceeds of \$10 million ("Offering"). As a result of the Offering, Hecla has increased its shareholding in the Company to 15.7% from 10.6%, calculated on an undiluted basis.

No bonuses, finder's fee or commissions were paid in connection with the Offering. The Common Shares issued pursuant to the Offering are subject to a four-month hold period from the closing of the Offering in addition to any other restrictions under applicable law.

In connection with the Offering, Dolly Varden has agreed with Hecla that the Company will not complete any further debt or equity financings for the remainder of 2023. Additionally, Dolly Varden has agreed that between January 1, 2024 and September 1, 2024, without the prior consent of Hecla, it will not complete any debt or equity financings other than equity financings for net proceeds to the Company of up to \$15 million and provided that the issue price under such financing is greater than \$0.65 per security. These restrictions do not capture customary exceptions such as the issuances of securities related to the Company's equity based incentive compensation, the exercise of existing convertible securities and strategic transactions for non-cash consideration.

\$6 million of the net proceeds from the Offering will be used for exploration expenditures, mineral resource expansion and related costs in the Kitsault Valley project, located in northwestern British Columbia, Canada, with the balanced to be used for working capital and G&A costs.

Hecla is considered a related party of the Company under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") as a result of its ownership of more than 10% of the currently issued and outstanding Common Shares. As a result, the issuance of Common Shares to Hecla pursuant to the Offerings was a related party transaction. The Company relied on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(1)(a) of MI 61-101 on the basis that participation in the Offering by Hecla does not exceed 25% of the fair market value of the Company's market capitalization. The Company did not file a material change report in respect of the related party transaction 21 days prior to the closing of the Offering as the details of the participation of insiders of the Company had not been confirmed at that time. Further details can be found in the material change report that will be filed by the Company in due course.

About Dolly Varden Silver Corporation

[Dolly Varden Silver Corp.](#) is a mineral exploration company focused on advancing its 100% held Kitsault Valley Project (which combines the Dolly Varden Project and the Homestake Ridge Project) located in the Golden Triangle of British Columbia, Canada, 25kms by road to tide water. The 163 sq. km. project hosts the high-grade silver and gold resources of Dolly Varden and Homestake Ridge along with the past producing Dolly Varden and Torbrit silver mines. It is considered to be prospective for hosting further precious metal deposits, being on the same structural and stratigraphic belts that host numerous other, high-grade deposits, such as Eskay Creek and Brucejack. The Kitsault Valley Project also contains the Big Bulk property which is prospective for porphyry and skarn style copper and gold mineralization, similar to other such deposits in the region (Red Mountain, KSM, Red Chris).

Forward-Looking Statements

This news release contains statements that constitute "forward-looking statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or developments to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Forward-looking statements in this news release include, among others, the intended use of proceeds from the Offering, the future release of a material change report and other statements that are not historical facts. These forward-looking statements are based on management's current expectations and beliefs and assume, among other things, the use of proceeds of the Offering, the adequacy of the Company's current financial position, the ability of the Company to successfully pursue its current development plans, that future sources of funding will be available to the Company on desirable and permitted terms, that relevant commodity prices will remain at levels that are economically viable for the Company and that the Company will receive relevant permits in a timely manner in order to enable its operations, but given the uncertainties, assumptions and risks, readers are cautioned not to place undue reliance on such forward-looking statements or information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others: the risk that the Company may not be able to complete the Offering on the terms described herein or at all; the Company may require additional financing from time to time in order to continue its operations which may not be available when needed or on acceptable terms and conditions acceptable; compliance with extensive government regulation; domestic and foreign laws and regulations could adversely affect the Company's business and results of operations; and the stock markets have experienced volatility that often has been unrelated to the performance of companies and these fluctuations may adversely affect the price of the Company's securities, regardless of its operating performance. The risk factors identified herein are not intended to represent a complete list of factors that could affect the Company. For additional information on risks and uncertainties, see the Company's annual information form dated April 11, 2023 for the year ended December 31, 2022 and the Company's base-shelf prospectus dated April 25, 2023, both available on SEDAR+ at www.sedarplus.ca.

The forward-looking information contained in this news release represents the expectations of the Company as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

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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