

Gowest Announces \$8 Million Investment By Fortune Future Holdings Limited

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TORONTO, April 09, 2019 - [Gowest Gold Ltd.](#) ("Gowest" or the "Corporation") (TSX VENTURE: GWA) announced today that Fortune Future Holdings Limited ("Fortune") has agreed to purchase, on a non-brokered private placement basis, common shares of the Corporation for aggregate gross proceeds of \$8,000,000 (the "Private Placement").

The Private Placement is subject to the completion of a consolidation of the outstanding common shares of the Corporation (the "Consolidation"), on a one (1) for ten (10) basis, prior to the closing of the Private Placement. Pursuant to the proposed Consolidation, holders of common shares of the Corporation will receive one (1) post-Consolidation common share in exchange for every ten (10) pre-Consolidation common shares outstanding immediately prior to the Consolidation. The Consolidation will affect all holders of common shares uniformly and will not affect any shareholder's percentage ownership interest in the Corporation.

The common shares to be issued to Fortune pursuant the Private Placement will be issued at a price of \$0.45 per share on a post-Consolidation basis (being equal to \$0.045 per share on a pre-Consolidation basis).

Details of the Private Placement

In connection with the Private Placement, the Corporation has received, and accepted, an irrevocable subscription from Fortune for the full amount of the Private Placement.

Pursuant to the Private Placement, the Corporation will issue to Fortune an aggregate of 17,777,777 common shares at a price of \$0.45 per share on a post-Consolidation basis (being equal to 177,777,777 common shares at a price of \$0.045 per share on a pre-Consolidation basis). On April 8, 2019, the closing price of the common shares of the Corporation on the TSX Venture Exchange ("TSX-V") was \$0.0375. During the prior month, the common shares of the Corporation traded on the TSX-V between \$0.03 (low) and \$0.04 (high).

Fortune is an investment company based in Chifeng City, Inner Mongolia, China, focused on investment in companies engaged in the exploration for, and the mining and sale of, mineral resources. In addition to its primary office in Chifeng City, Fortune has branches in Hong Kong and Beijing and is involved with various mining projects throughout China, Mongolia, Nigeria and Algeria. Fortune is incorporated under the laws of the British Virgin Islands.

Fortune made its initial investment in the Corporation in June 2014 and currently holds ownership of greater than 10% of the outstanding common shares of the Corporation. As of the date hereof, Fortune holds 85,000,000 common shares of the Corporation representing approximately 19.8% of the outstanding common shares of the Corporation. Fortune was previously a "control person" of the Corporation. Assuming the completion of the Private Placement, and no further issuances of common shares by the Corporation prior to the closing date, Fortune would hold 26,277,777 common shares on a post-Consolidation basis (being equal to 262,777,777 common shares on a pre-Consolidation basis), representing approximately 43.3% of the outstanding common shares of the Corporation.

Pursuant to the terms of the Private Placement, closing is to occur following the receipt of requisite

shareholder approvals for the Private Placement and the implementation of the Consolidation (as described in greater detail below). There are no material conditions to the closing of the Private Placement, other than: (i) the receipt of required shareholder approvals (for the Private Placement and Consolidation); (ii) the receipt of required regulatory approvals, including the approval of the TSX-V; (iii) the requirement that there be no material adverse change with respect to the Corporation prior to the closing of the Private Placement; and (iv) the requirement that the representations and warranties of the parties given in the subscription agreement in respect of the Private Placement be true and correct, in all material respects, as of the closing date of the Private Placement.

Assuming the completion of the Private Placement, Fortune will have the right to appoint, and to have nominated by the Corporation for election at each annual meeting of shareholders, that number of directors or the Corporation as will represent a majority of the board of directors (the "Board"), so long as Fortune holds greater than 30% of the outstanding common shares of the Corporation. Pursuant to the terms of its initial investment in the Corporation, Fortune held a contractual right to appoint two directors to the Board.

The approval of the Private Placement follows an exhaustive search and evaluation of potential sources of capital undertaken by management and the Board over the past number of months. The terms and conditions presented to the Corporation by Fortune pursuant to the Private Placement have been determined by the Board to be reasonable in the circumstances of the Corporation; in particular having regard to the current challenging financial and operational circumstances affecting the Corporation and the difficult market conditions affecting junior mining issuers generally. No alternative commercially reasonable financing options of the magnitude of the Private Placement were identified the Corporation. In the opinion of management and the Board, the Private Placement represents the best financing option available to the Corporation at this time.

After consideration of all relevant circumstances, the Board (with the representatives of Fortune abstaining) has approved the Private Placement and has determined that the Private Placement is in the best interests of the Corporation.

Among other factors considered by the Board in approving the Private Placement: (i) the issue price of the common shares represents a premium to the recent trading price of the common shares on the TSX-V; (ii) the Private Placement presents lower-execution risk given Fortune's familiarity with the Corporation and its operations and no further due diligence is required to be conducted by Fortune; (iii) the investment by Fortune may assist the Corporation in its efforts to raise additional funds, including by way of additional "flow-through" investment in the Corporation; (iv) shareholders will continue to participate in any future appreciation in the value of the common shares of the Corporation; and (v) the significant investment by Fortune confirms its long-term commitment to the Corporation and to bringing its 100% Bradshaw Gold Deposit ("Bradshaw") into commercial production

The proceeds of the Private Placement will be used by the Corporation for the continued development of Bradshaw. The proceeds of the Private Placement alone will not be sufficient to bring Bradshaw into commercial production. The Corporation is continuing to pursue additional financing opportunities to cover this anticipated funding shortfall and also to advance, in parallel, exploration opportunities both at and near Bradshaw.

All of the securities issuable in connection with the Offering will be subject to a hold period expiring four months and one day after date of issuance.

The securities offered have not been registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration requirements. This release does not constitute an offer for sale of securities in the United States.

Completion of the Private Placement remains subject to receipt of the approval of the TSX-V.

Minority Approval of Private Placement

By virtue of the fact that Fortune holds ownership of greater than 10% of the outstanding common shares of

the Corporation and therefore is a “related party” of the Corporation pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), the Private Placement will constitute a “related party transaction” of the Corporation under MI 61-101. As such, the Private Placement is subject to the minority approval requirements of MI 61-101 and will require the approval of shareholders of the Corporation, excluding Fortune (and any related parties of Fortune), prior to the closing of the Private Placement. As the Corporation is listed only on the TSX-V, the Private Placement is exempt from the valuation requirements of MI 61-101 by virtue of the exemption contained in Section 5.5(b) of MI 61-101.

Further, given that Fortune will hold greater than 20% of the outstanding common shares of the Corporation following the completion of the Private Placement, the Private Placement is subject to the approval of shareholders of the Corporation, excluding Fortune (and any related parties of Fortune), pursuant to the Corporation’s shareholder rights plan (the “Rights Plan”). The terms of the Rights Plan are set out in the Amended and Restated Shareholder Rights Plan Agreement, dated as of May 5, 2017, between the Corporation and TSX Trust Company, as rights agent. Specifically, the Private Placement is subject to the shareholders of the Corporation, excluding Fortune (and any related parties of Fortune), approving the Private Placement as a “Shareholder Approved Financing” in accordance with the Rights Plan.

The Corporation intends to call a special meeting of shareholders of the Corporation (the “Meeting”) as soon as possible for the purpose of obtaining the requisite shareholder approvals for the completion of the Private Placement. The Board recommends that shareholders vote in favour of the Private Placement.

Further information regarding the Private Placement will be contained in the management information circular to be prepared in respect of the Meeting. The management information circular will be filed under the Corporation’s profile on SEDAR (www.sedar.com) at the time that it is mailed to shareholders. All shareholders are urged to read the management information circular once it becomes available, as it will contain additional important information concerning the Private Placement.

The parties expect that the Private Placement will be completed shortly after the Meeting, subject to satisfaction of all conditions precedent to the closing of the Private Placement.

Consolidation

As indicated above, the completion of the Consolidation is a condition precedent to the closing the Private Placement. The completion of the Private Placement, among other purposes, will allow the Corporation to comply with the policies of the TSX-V, which generally prohibit the issuance of shares at a price of less than \$0.05 per share.

If approved and implemented, the Consolidation will occur simultaneously for all of the Corporation’s issued and outstanding common shares and will occur prior to the completion of the Private Placement. The Consolidation will affect all holders of Common Shares uniformly and will not affect any shareholder’s percentage ownership interest in the Corporation. As the Corporation currently has an unlimited number of common shares authorized for issuance, the Consolidation will not have any effect on the number of common shares that remain available for future issuance. If the Consolidation is implemented, the exercise price and number of common shares issuable under outstanding incentive stock options and common share purchase warrants issued by the Corporation will be proportionately adjusted.

The Corporation intends to seek approval of shareholders for the Consolidation at the Meeting. The Consolidation will require the approval of not less than two-thirds (2/3) of the votes cast by the holders of common shares present in person or represented by proxy at the Meeting. The Board recommends that shareholders vote in favour of the Consolidation.

About Gowest

Gowest is a Canadian gold exploration and development company focused on the delineation and development of its 100% owned Bradshaw Gold Deposit (Bradshaw), on the Frankfield Property, part of the

Corporation's North Timmins Gold Project (NTGP). Gowest is exploring additional gold targets on its +100‐square‐kilometre NTGP land package and continues to evaluate the area, which is part of the prolific Timmins, Ontario gold camp. Currently, Bradshaw contains a National Instrument 43‐101 Indicated Resource estimated at 2.1 million tonnes (“t”) grading 6.19 grams per tonne gold (g/t Au) containing 422 thousand ounces (oz) Au and an Inferred Resource of 3.6 million t grading 6.47 g/t Au containing 755 thousand oz Au. Further, based on the Pre‐Feasibility Study produced by Stantec Mining and announced on June 9, 2015, Bradshaw contains Mineral Reserves (Mineral Resources are inclusive of Mineral Reserves) in the probable category, using a 3 g/t Au cut‐off and utilizing a gold price of US\$1,200 / oz, totaling 1.8 million t grading 4.82 g/t Au for 277 thousand oz Au.

Forward-Looking Statements

Certain statements in this release constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements in this press release include, without limitation, statements relating to: the Private Placement; the proposed use of proceeds of the Private Placement; the ability of the parties, in particular the Corporation, to satisfy the conditions precedent to the closing of the Private Placement; the mailing of the management information circular in connection with the Meeting and anticipated timing thereof; and the anticipated timing of the completion of the Private Placement. Words such as “may”, “would”, “could”, “should”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “potential” and similar expressions may be used to identify these forward-looking statements although not all forward-looking statements contain such words.

Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including risks associated with the Private Placement and financing transactions generally, such as the failure to satisfy the closing conditions contained in the subscription agreement, the absence of material adverse changes or other events which may give Fortune the basis on which to terminate the subscription agreement, and the ability of the the Corporation to complete and mail the information circular in respect of the Meeting and hold the Meeting within the time frames indicated. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by this press release. These factors should be considered carefully and reader should not place undue reliance on the forward-looking statements. These forward-looking statements are made as of the date of this press release and, other than as required by law, the Corporation does not intend to or assume any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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