

Rio2 Limited Announces C\$17.5 Million Bought Deal Private Placement Led by a C\$9.2 Million Investment from Eric Sprott

23.07.2019 | [CNW](#)

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(IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)

VANCOUVER, July 23, 2019 - Rio2 Limited ("Rio2" or the "Company") (TSXV: RIO; OTCQX: RIOFF; BVL: RIO) announces that it has entered into an agreement with Cormark Securities Inc. ("Cormark"), pursuant to which Cormark shall purchase 43,750,000 units of the Company (the "Units") at a price of \$0.40 per Unit, on a "bought deal" private placement basis, for aggregate gross proceeds to the Company of approximately \$17.5 million (the "Offering").

Each Unit will consist of one common share of the Company (a "Common Share") and one-half of one Common Share Purchase Warrant (each full warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one Common Share of the Company at an exercise price of \$0.50 for a period of 36 months following the closing of the Offering.

The Company has also granted Cormark an option to sell up to an additional 6,562,500 Units at the offering price up to the Closing Date (the "Option"). In the event that the Option is exercised in its entirety, the aggregate gross proceeds of the Offering will be \$20.1 million.

The Company also announces that Eric Sprott has agreed to purchase \$9.2 million of the Offering. On completion of the Offering, Eric Sprott will own 19.9% of the issued and outstanding shares of the Company on a partially diluted basis (excludes potential shares issued from the Option).

The Offering is scheduled to close on or about August 13, 2019 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange.

Alex Black, President and Chief Executive Officer of Rio2, stated, "This financing is a major milestone for Rio2 as it sets the company on a clear path to advance our Fenix Gold Project through the Environmental Impact Study (EIS) and permitting process in Chile. This work is an essential precursor to the future construction of the project which when built, will be the only gold oxide heap leach mine operating in Chile. I would also like to welcome Eric Sprott as a new, large shareholder of the company and look forward to working with Mr. Sprott as the Fenix Gold Project is advanced and as we pursue our strategy of developing Rio2 into a multi-asset precious metals company focused on quality mining assets in the Americas."

The net proceeds of the Offering will be used to complete the following activities for the Company's 100% owned Fenix Gold Project; complete the Project's EIS baseline study, prepare and file the EIS study with the Chilean authorities, complete engineering studies in preparation for future mine construction activities, commence permitting activities for the project, commence the review of financing options for construction of the project and continue social activities related to the project, as well as for general corporate and working capital purposes.

Fenix Gold Project

The results of the updated prefeasibility study ("PFS") for Rio2's 100% owned Fenix Gold Project located in the Atacama Region, Chile, are now expected to be released on or about August 30, 2019. The updated PFS is strategically focused on an optimally configured starter project which will facilitate the shortest possible timeline to construction/production, a lower initial capex, higher grades initially being mined, and a lower initial strip ratio as compared with the 2014 PFS.

Mr. Enrique Garay, MSc. P.Geo (AIG Member), Senior Vice President Geology of Rio2, is the Qualified Person (as defined by NI 43-101) responsible for managing the Company's exploration programs and disclosure of drilling results. Mr. Garay has read and approved the scientific and technical information in this news release.

This new release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

To learn more about Rio2 Limited, please visit: www.rio2.com or Rio2's SEDAR profile at www.sedar.com.

ON BEHALF OF THE BOARD OF [Rio2 Ltd.](#)

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Cautionary Statement on Forward-Looking Information

Certain information set forth in this news release contains "forward-looking statements", and "forward-looking information under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements, which include expectations about the timing and completion of the Offering; the use of proceeds from the Offering; management's expectations with respect to the Offering; the timing for the completion of the updated PFS; the suitability of the Fenix Gold Project for staged development, including a smaller starter project; and the potential for the characteristics of the smaller starter project to include lower initial capex, initial mining of higher grade ore and a lower strip ratio, all as compared to the 2014 PFS, and are based on Rio2's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by the use of conditional or future tenses or by the use of such words such as "will", "expects", "may", "should", "estimates", "anticipates", "believes", "projects", "plans", and similar expressions, including variations thereof and negative forms. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Rio2's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: risks and uncertainties relating to the completion of the Transaction and the Offering as described herein, and management's ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Rio2 undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. Rio2 disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required by securities legislation.

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.

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