Eclipse Gold Closes C$22.6 Million Financing in Connection with Northern Vertex Merger

written by Raj Shah | January 15, 2021

January 14, 2021 (Source) – **Eclipse Gold Mining Corp. ("Eclipse")** (TSX.V: EGLD) (OTC:EGLPF) **and Northern Vertex Mining Corp. ("Northern Vertex") (**TSX.V:NEE) (OTC-NASDAQ Intl: NHVCF) are pleased to announce that, further to the companies' press release dated December 7th, 2020 and the Eclipse press release dated December 15th, 2020, Eclipse has successfully closed its previously announced private placement, issuing 45,119,000 subscription receipts (the **"Subscription Receipts"**) at a price of C$0.50 per Subscription Receipt for gross proceeds of C$22,559,500 (the "**Offering**"). The Offering was conducted by a syndicate of agents led by Stifel GMP, and including Canaccord Genuity Corp., Raymond James Ltd., Beacon Securities Ltd. and P.I. Financial Corp. (collectively, the "**Agents**") and is being completed in connection with the plan of arrangement transaction (the "**Transaction**") between Northern Vertex and Eclipse that was announced on December 7th, 2020.

Immediately prior to the closing of the Transaction, the Subscription Receipts will automatically convert into 1/1.09 of a unit of Eclipse (each whole unit, an "**Eclipse Unit**"). Each Eclipse Unit will consist of an Eclipse common share and one-half of an Eclipse share purchase warrant. Upon the closing of the Transaction, the Eclipse Units will be exchanged for Northern Vertex units (the "**Northern Vertex Units**") in

accordance with the Plan of Arrangement resulting in purchasers of Subscription Receipts receiving one Northern Vertex Unit for each Subscription Receipt purchased in the Offering. Each Northern Vertex Unit will consist of one Northern Vertex common share (a "**Northern Vertex Share**") and one half of a Northern Vertex common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will be exercisable, for a period of two years from the closing of the Offering, into one Northern Vertex Share at a price of C$0.80 per Warrant.

The Subscription Receipts were issued pursuant to a subscription receipt agreement (the "**Subscription Receipt Agreement** ") entered into by Eclipse, Stifel GMP on behalf of the Agents and Computershare Trust Company of Canada as subscription receipt agent. Pursuant to the Subscription Receipt Agreement, the gross proceeds of the Offering (the "**Escrowed Funds**") will be held in escrow pending satisfaction of certain conditions, including, amongst others, (a) the satisfaction or waiver of each of the conditions precedent to the Transaction; and (b) the receipt of all required shareholder and regulatory approvals in connection with the Transaction and the Offering, including the conditional approval of the TSX Venture Exchange (collectively, the "**Escrow Release Conditions**"). If the Escrow Release Conditions have not been satisfied on or prior to March 31st, 2021, the holders of Subscription Receipts will be returned a cash amount equal to the Issue Price of the Subscription Receipts and their share of any interest that has been earned on the Escrowed Funds.

In connection with the Offering, the Agents will receive a cash commission (the "**Cash Commission**") equal to 6% of the gross proceeds, other than in connection with certain President List sales for which the Agents will receive 5% Cash Commission. 50% of the Cash Commission will be paid concurrently with the closing of the Offering and 50% of the Cash Commission will be

paid at the time of the closing of the Transaction. In addition, the Agents received 2,642,500 broker warrants (the "**Broker Warrants**") entitling them to purchase shares of Eclipse. Following the completion of the Transaction the Broker Warrants will entitle the Agents to purchase 2,642,500 shares of Northern Vertex for a period of 24 months following the closing of the Offering at a purchase price of C$0.50. If the Transaction does not close for any reason, then only 50% of the Broker Warrants will be exercisable by the Agents.

Upon closing of the Arrangement, the Vertex Units issued to the former holders of Subscription Receipts upon the automatic exchange of the Eclipse Units will not be subject to any statutory hold period in Canada.

On January 12th, 2021, Eclipse mailed its information circular prepared in connection with the Transaction, and the special meeting to approve the proposed Transaction will be held on February 4th, 2021 at 9:00am PST. The Transaction is expected to close on or around February 12th, 2021.

Certain directors and management of Eclipse (the "**Insiders**") purchased an aggregate of 2,090,000 Subscription Receipts pursuant to the Offering. Participation by the Insiders in the Offering was considered a "related party transaction" pursuant to Multilateral Instrument 61- 101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Insiders' participation in the Offering in reliance of sections 5.5(a) and 5.7(1)(a) of MI 61-101.

About Northern Vertex

Northern Vertex Mining Corp. owns and operates the Moss Mine,

currently the largest pure gold and silver mine in Arizona. Focused on low-cost gold and silver production, the company has experience across all areas of operations, mine development, exploration, acquisitions, and financing of mining projects. With operations at the flagship Moss, the company intends to consolidate additional producing and exploration gold assets within the Western US.

About Eclipse Gold Mining

Eclipse Gold Mining is exploring the district-scale Hercules gold property within Nevada's Walker Lane trend. The Hercules property is located only a one-hour drive from Reno and appears to have all the characteristics of a large, low-sulphidation epithermal gold system. The company brings together a team with a track record of extensive M&A and nine successful buyouts totaling $4.6 billion.

ON BEHALF OF THE BOARD OF DIRECTORS OF NORTHERN VERTEX MINING
Kenneth Berry
President, CEO and Director

TSXV: NEE | Nasdaq Intl: NHVCF | Frankfurt: 54N | ISIN: CA6660061012 | WKN: A1JUA0

ON BEHALF OF THE BOARD OF DIRECTORS OF ECLIPSE GOLD MINING
Michael G. Allen
President, CEO and Director

TSXV: EGLD | OTC: EGLPF | Frankfurt: 43J | ISIN: CA27888R1001 | WKN: A2PYV4

Cautionary Statement Regarding Forward Looking Information

All statements, trend analysis and other information contained in this press release about anticipated future events or results constitute forward-looking statements. Forward-looking

statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding the closing of the Transaction, are forward-looking statements. Although Eclipse believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since Eclipse can give no assurance that such expectations will prove to be correct. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including the risks, uncertainties and other factors identified in Eclipse’s periodic filings with Canadian securities regulators, and assumptions made with regard to: Eclipse’s ability to complete the proposed Transaction; Eclipse’s ability to secure the necessary shareholder, securityholder, legal and regulatory approvals required to complete the Transaction; the estimated costs associated with the advancement of Eclipse’s projects; and Eclipse’s ability to achieve the synergies expected as a result of the Transaction. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Important factors that could cause actual results to differ materially from Eclipse’s expectations include risks associated with the business of Eclipse and Northern Vertex; risks related to the satisfaction or waiver of certain conditions to the closing of the Transaction; non-completion of the Transaction; risks related to reliance on technical information provided by Eclipse

and Northern Vertex; risks related to exploration and potential development of Eclipse's projects; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; and other risk factors as detailed from time to time and additional risks identified in Eclipse and Northern Vertex's filings with Canadian securities regulators on SEDAR in Canada (available at www.sedar.com). Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Eclipse does not undertake any obligation to update forward looking statements except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.