StageZero Life Sciences Ltd. Announces Closing of Public Offering for Proceeds of $4.6 million

written by Raj Shah | June 29, 2020

June 29, 2020 (Source) – StageZero Life Sciences Ltd. (TSX:SZLS) (the "**Company**") is pleased to announce that is has closed its previously announced public offering of 66,176,100 units of the Company (the "**Units**") at a price of $0.07 per Unit (the "**Offering Price**") for aggregate gross proceeds of $4,632,327 (the "**Offering**"). The Offering was made pursuant to an agency agreement effective June 22, 2020 with Echelon Wealth Partners Inc. and Clarus Securities Inc. (collectively, the "**Agents**").

Each Unit was comprised of one common share of the Company (each, a "**Common Share**") and one common share purchase warrant (each, a "**Warrant**"). Each Warrant is exercisable to purchase one Common Share at any time prior to June 29, 2023 at a price of $0.09 per Common Share.

The Units were offered and sold by way of a short form prospectus filed in each of the provinces of Alberta, British Columbia, and Ontario. The Company intends to use the net proceeds of the Offering to purchase new equipment and consumable materials to increase COVID-19 testing capacity at the Company's laboratory in Richmond, Virginia as well as complete validation of Aristotle®, the Company's pan-cancer test for the early identification of 10 discrete cancers from a single sample of blood, as described in more detail in the (final) short form prospectus of the Company dated June 22, 2020

(the "**Prospectus**").

As consideration for the services rendered by the Agents in connection with the Offering, the Company has paid the Agents a cash commission equal to 7% of the gross proceeds raised under the Offering and has granted the Agents non-transferable broker warrants equal to 7% of the number of Units sold under the Offering, exercisable at any time prior to June 29, 2023 at $0.085 per Common Share (the "**Broker Warrants**"). The Company also issued to the Agents a total of 130,000 agents' compensation warrants exercisable into Common Shares on the same terms of exercise as the Broker Warrants.

The Company also closed a concurrent non-brokered private placement offering of 7,608,967 Units at the Offering Price to a director of the Company in order to settle debts of $532,628 owing by the Company (the "**Concurrent Private Placement**").

The purchase of Units by a director of the Company pursuant to the Concurrent Private Placement constituted a "related party transaction" as such term is defined by Multilateral Instrument 61-101 – P*rotection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company was exempt from the MI 61-101 valuation and minority approval requirements for related party transactions in connection with the Concurrent Private Placement under sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves the director, exceeds 25% of the Company's market capitalization (as determined under MI 61-101). The material change report is being filed less than 21 days before the closing of the Concurrent Private Placement as the definitive terms of the Concurrent Private Placement had not been confirmed until the closing of the Concurrent Private Placement.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the Units in any jurisdiction, nor will there be any offer or sale of the Units in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Units have not and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws and, therefore, may not be offered or sold to, or for the benefit or account of, persons within the United States or "**U.S. persons**" (as such term is defined in Regulation S under the U.S. Securities Act) except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

About StageZero Life Sciences Ltd.

StageZero Life Sciences Ltd. is dedicated to the early detection of multiple disease states through whole blood. The Company operates a CAP accredited and CLIA certified high complexity reference laboratory based in Richmond, Virginia. As a specialist in PCR testing for the early identification of Cancer through blood, the Company is uniquely positioned to provide both COVID-19 PCR testing (nasal swab) and blood test analysis (antibody testing). Our full service, telehealth platform includes access to physicians and phlebotomist who can prescribe and draw samples for individuals and groups. As we provide COVID-19 testing during the pandemic, we continue making progress with our mission to eradicate late stage cancers through early detection. Our next generation test, Aristotle®, is a multi-cancer panel for simultaneously screening for 10 cancers from a single sample of blood with high sensitivity and specificity for each cancer. www.stagezerolifesciences.com

Forward-Looking Statements

This press release contains forward-looking statements identified by words such as “expects”, “will” and similar expressions, which reflect the Company’s current expectations regarding future events. The forward-looking statements involve risks and uncertainties that could cause the Company’s actual events to differ materially from those projected herein. Investors should consult the Prospectus along with the Company’s ongoing quarterly filings and annual reports for additional information on risks and uncertainties relating to these forward-looking statements. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements, except as required by law.

This offering is only made by prospectus. The prospectus contains important detailed information about the securities being offered. Copies of the prospectus may be obtained by emailing Echelon Wealth Partners Inc., at ecm@echelonpartners.com. Investors should read the prospectus before making an investment decision.