Treasury Metals Announces $15 Million Financing

written by Raj Shah | February 18, 2021
February 17, 2021 (Source) –

/NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES/

TSX: TML OTCQX: TSRMF

Treasury Metals Inc. (TSX: TML) ("**Treasury**" or the "**Company**") is pleased to announce that it has entered into an agreement with Haywood Securities Inc., and Cormark Securities Inc., as joint bookrunners, and together with Sprott Capital Partners LP (together, the "**Co-Leads**") as co-lead underwriters, in each case on behalf of themselves and on behalf of a syndicate of underwriters (together with the Co-Leads, the "**Underwriters**"), under which the Underwriters have agreed to purchase on a bought deal basis, an aggregate of 10,530,000 NFT Special Warrants (as defined below) for total gross proceeds of $10,003,500 (the "**NFT Offering**"). In addition, the Company has entered into a separate agreement with the Co-Leads, on behalf of a syndicate of agents (together with the Co-Leads, the "**Agents**"), in connection with a proposed commercially reasonable efforts private placement financing for total proceeds of up to an additional $5,000,000 (the "**FT Offering**", and together with the NFT Offering, the "**Offering**").

The NFT Offering consists of 10,530,000 non-flow-through special warrants (the "**NFT Special Warrants**") at a price of $0.95 per NFT Special Warrant (the "**NFT Issue Price**").

The FT Offering will consist of a combination of flow-through

special warrants (the "**FT Special Warrants**") at a price of $1.10 per FT Special Warrant (the "**FT Issue Price**") and charity flow-through special warrants (the "**Charity FT Special Warrants**", and together with the FT Special Warrants and the NFT Special Warrants, the "**Special Warrants**") at a price of $1.33 per Charity FT Special Warrant (the "**Charity FT Issue Price**").

Each NFT Special Warrant will be exercisable to acquire one common share of the Company (each a "**Common Share**") and each FT Special Warrant and Charity FT Special Warrant will be exercisable to acquire one flow-through Common Share of the Company (each a "**FT Share**"). The FT Shares will qualify as flow-through shares as defined in the *Income Tax Act (Canada)*.

Treasury has granted the Underwriters an option, at any time up to 48 hours prior to the Closing Date (as hereinafter defined), to purchase up to an additional 1,579,500 NFT Special Warrants at the NFT Issue Price for additional gross proceeds of approximately $1,500,525.

The Special Warrants will be exercisable by the holders thereof at any time after the Closing Date for no additional consideration and all unexercised Special Warrants will be deemed to be exercised and surrendered, without any further action or payment of additional consideration by the holder thereof, at 5:00 p.m. (Toronto time) on the earlier of: (a) the date that is four months and a day following the Closing Date; and (b) the fifth business day after a receipt is issued for a (final) prospectus (the "**Final Qualification Prospectus**") by the securities regulatory authorities in each of the provinces of Canada, excluding Quebec, qualifying for distribution the Common Shares and FT Shares. The Company will use commercially reasonable efforts to obtain such receipt on or prior to April 15, 2021. Until a receipt is issued for the Final Qualification

Prospectus, the Special Warrants (and any Common Shares or FT Shares issued on exercise thereof) will be subject to a hold period under applicable Canadian securities laws expiring on the date that is four months and a day following the Closing Date.

The net proceeds of the NFT Special Warrants will be used to fund exploration and trade-off optimization studies as part of the pre-feasibility study work and development of the Company's Goliath Gold Complex projects, as well as for general working capital purposes. The gross proceeds from the sale of the FT Special Warrants and Charity FT Special Warrants will be used by the Company to incur eligible "Canadian exploration expenses" that qualify as "flow-through mining expenditures" (within the meaning of the *Income Tax Act* (Canada)), related to the Company's Goliath Gold Complex projects in Ontario. The Company has agreed to renounce such Canadian exploration expenses with an effective date of no later than December 31, 2021, in an aggregate amount of not less than the total amount of the gross proceeds raised from the issuance of FT Shares.

Closing of the Offering is expected to occur on or about March 10, 2021 (the "**Closing Date**") and is subject to certain customary conditions, including, but not limited to, the receipt of all necessary regulatory approvals and acceptance of the TSX.

The Special Warrants to be issued under the Offering will be offered by way of private placement exemptions in all the provinces of Canada and in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**").

The securities being offered have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States, or to, or for the account or

benefit of, U.S. persons or persons in the United States, absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

To view further details about the Goliath Gold Complex projects, please visit the Company's website at www.treasurymetals.com.

Twitter @TreasuryMetals

About Treasury Metals Inc.

Treasury Metals Inc. is a gold focused company with assets in Canada. Treasury's Goliath Gold Complex ("**GGC**"), which includes the Goliath, Goldlund and Miller projects, is located in Northwestern Ontario. The GGC projects benefit substantially from excellent access to the Trans-Canada Highway, related power and rail infrastructure, and close proximity to several communities including Dryden, Ontario. The Company also owns several other projects throughout Canada, including the Lara Polymetallic Project, Weebigee-Sandy Lake Gold Project JV, and grassroots gold exploration property Gold Rock.

Forward-Looking Statements

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, and management's expectations with respect to the Offering, the issuance of a receipt for a Final Qualifying Prospectus, the necessary

approvals for the Offering including the approval of the TSX and are based on the Company'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 the Company'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 Offering as described herein, obtaining necessary TSX approval of the Offering in 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. The Company 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. The Company 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 nor its Regulation Services Provider (as that

term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.

SOURCE Treasury Metals Inc.

For further information: Jeremy Wyeth, President and CEO, T: +1 416 214 4654; Nicholas Van Dyk, Vincic Advisors, T: +1 604 364 5752, Email: info@treasurymetals.com

Related Links

www.treasurymetals.com