

# U308 Corp. Announces Closing of Up-Sized Non-Brokered Private Placement, Securities for Debt Transaction and Amendments to Warrant Terms

written by Raj Shah | October 22, 2018

✖ October 22, 2018 ([Source](#)) – U308 Corp. (**TSX: UWE**) (**OTCQB: UWEFF**) (“**U308 Corp.**” or the “**Company**”) is pleased to announce that further to its news release dated October 1, 2018, it has completed its previously announced non-brokered private placement. Due to increased investor demand, the Company increased the size of the private placement to \$573,500 from \$400,000. The Company issued 2,294,000 units (“**Units**”) at a price of \$0.25 per Unit, for total gross proceeds of \$573,500 (the “**Offering**”).

Each Unit consists of one (1) common share in the capital stock of U308 Corp. (“**Common Share**”) and one (1) common share purchase warrant (“**Warrant**”). Each Warrant entitles the holder to purchase one Common Share at a price of \$0.40 per Common Share until the date which is thirty-six (36) months following the closing date of the Offering, whereupon the Warrants will expire.

Proceeds of the Offering will be used for metallurgical test work on the Company’s Laguna Salada uranium-vanadium deposit in Argentina, for general corporate and administrative purposes, and to enable the Company to consider exercising its right to maintain its 39% holding in the private frac sand company, South American Silica Corp. (“**SAS**”), should SAS undertake a private

placement in light of positive developments in the frac sand industry.

In connection with the Offering, the Company paid to certain eligible finders compensation consisting of cash commissions of \$7,000 and 28,000 compensation warrants ("**Broker Warrants**"). The Broker Warrants will be exercisable into Common Shares of the Company at \$0.40 and will be valid for a period of twenty-four (24) months from the date of closing of the Offering.

All securities issued and issuable pursuant to the Offering are subject to a four month and one day statutory hold period.

Closing of the Offering is subject to the receipt of all regulatory approvals, including the Toronto Stock Exchange.

### **Securities for Debt Transaction**

The Company has agreed to settle outstanding cash debts in the amount of \$51,500 to certain service providers and former employees (the "**Creditors**") through the issuance of an aggregate of 206,000 Units at a price of \$0.25 per Unit.

Additionally, the Company has agreed to settle \$88,268 with the Creditors through the issuance of 304,371 common shares at a price of \$0.29 per common share (the "**Debt Shares**") (together, the issuance of the Units and Debt Shares to Creditors, the "**DebtSecurities**").

The issuance of the Debt Securities is subject to the receipt of all applicable regulatory approvals, including the Toronto Stock Exchange. The Company is choosing to settle the outstanding indebtedness through the issuance of the Debt Securities as the Company will require cash for working capital and continuing operations.

The Debt Securities and securities issuable thereunder are

subject to a four month and one day statutory hold period.

### **Related Party Transactions**

Dr. Richard Spencer (CEO of the Company) and Mr. John Ross (CFO of the Company) participated in the Offering (the “**Insider Participation**”) and their participation constitutes a related party transaction within the meaning of Multilateral Instrument 61-101 (“**MI 61-101**”).

Dr. Spencer acquired 140,000 Units for proceeds of \$35,000 and Mr. Ross acquired 140,000 Units for proceeds of \$35,000.

In the absence of exemptions, the Company is required to obtain a formal valuation for, and minority shareholder approval of, the related party transaction. The related party transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to insiders nor the consideration being paid by insiders exceeds 25% of the Company’s market capitalization.

### **U.S. Registration**

The securities offered pursuant to the Offering and the issuance of the Debt Shares have not been registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or applicable state securities laws, and may not be offered or sold to persons in the United States absent registration or an exemption from such 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 jurisdiction in which such offer, solicitation or sale would be unlawful.

### **Warrant Extension and Amendment**

The Company and holders of 759,250 common share purchase warrants ("**Original Warrants**") issued pursuant to a previous private placement have agreed to extend the expiry date and amend the exercise price of the Original Warrants. The Original Warrants will expire twelve months from the original expiry date and be exercisable into a common share of the Company at \$0.50, as depicted in the table below:

<b>Issue Date</b>	<b>Issued Exercise Price</b>	<b>Original Expiry Date</b>	<b>Amended Expiry Date</b>	<b>Amended Exercise Price</b>	<b>Effective Date</b>	<b>Original # of Warrants Issued</b>
November 3, 2015	\$0.70	November 3, 2018	November 3, 2019	\$0.50	November 3, 2018	759,250

None of the Original Warrants are held by insiders of the Company.

The Toronto Stock Exchange has provided conditional approval for the extension of the expiry date and amended exercise price with an effective date for the amendments of November 3, 2018.

### **About U308 Corp.**

U308 Corp. is focused on exploration and development of deposits of uranium and battery commodities in South America. Battery commodities that occur with uranium resources include vanadium, nickel, zinc and phosphate. The Company's mineral resources estimates were made in accordance with National Instrument 43-101, and are contained in the following deposits:

- **Laguna Salada Deposit, Argentina** – a PEA shows that this near surface, free-digging uranium-vanadium deposit has low production-cost potential; and
- **Berlin Deposit, Colombia** – a PEA shows that Berlin also

has low-cost uranium production potential due to revenue that would be generated from by-products of phosphate, vanadium, nickel, rare earths (yttrium and neodymium) and other metals that occur within the deposit.

### **Additional Information**

Information on U308 Corp., its resources and technical reports are available at [www.u3o8corp.com](http://www.u3o8corp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). Follow U308 Corp. on Facebook: [www.facebook.com/u3o8corp](http://www.facebook.com/u3o8corp), Twitter: [www.twitter.com/u3o8corp](http://www.twitter.com/u3o8corp) and YouTube: [www.youtube.com/u3o8corp](http://www.youtube.com/u3o8corp).

### **Forward-Looking Statements**

This news release includes certain “forward looking statements” related with the development plans, economic potential and growth targets of U308 Corp’s projects. Forward-looking statements consist of statements that are not purely historical, including statements regarding beliefs, plans, expectations or intentions for the future, and include, but not limited to, statements with respect to: (a) the low-cost and near-term development of Laguna Salada, (b) the Laguna Salada and Berlin PEAs, (c) the potential of the Kurupung district in Guyana and (d) the price and market for uranium. These statements are based on assumptions, including that: (i) actual results of our exploration, resource goals, metallurgical testing, economic studies and development activities will continue to be positive and proceed as planned, and assumptions in the Laguna Salada and Berlin PEAs prove to be accurate, (ii) requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U308 Corp., (iii) economic, political and industry market conditions will be favourable, and (iv) financial markets and the market for uranium will improve for junior resource companies in the short-term. Such statements are subject to risks and uncertainties that may cause actual

results, performance or developments to differ materially from those contained in such statements, including, but not limited to: (1) changes in general economic and financial market conditions, (2) changes in demand and prices for minerals, (3) the Company's ability to establish appropriate joint venture partnerships, (4) litigation, regulatory, and legislative developments, dependence on regulatory approvals, and changes in environmental compliance requirements, community support and the political and economic climate, (5) the inherent uncertainties and speculative nature associated with exploration results, resource estimates, potential resource growth, future metallurgical test results, changes in project parameters as plans evolve, (6) competitive developments, (7) availability of future financing, (8) exploration risks, and other factors beyond the control of U308 Corp. including those factors set out in the "Risk Factors" in our Annual Information Form available on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. U308 Corp. assumes no obligation to update such information, except as may be required by law. For more information on the above-noted PEAs, refer to the September 18, 2014 technical report titled "Preliminary Economic Assessment of the Laguna Salada Uranium-Vanadium Deposit, Chubut Province, Argentina" and the January 18, 2013 technical report titled "U308 Corp. Preliminary Economic Assessment on the Berlin Deposit, Colombia."