

# Galantas Gold Corporation: Completion of Private Placement

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TORONTO, ONTARIO -- (Marketwired - May 8, 2014) - [Galantas Gold Corporation](#) (Galantas or the Company) (TSX VENTURE:GAL) (AIM:GAL) announces that it has closed its Private Placement (the "Placing") announced on the 8th April 2014.

Subscriptions were received from UK institutional investors, Kenglo One Ltd ("Kenglo"), a number of qualifying private investors, including some local to the Omagh mine and clients of Jennings Capital Inc of Toronto, Canada to raise £516,500 (before expenses) representing 10,330,000 units. Each unit is comprised of one ordinary share and one warrant. Each warrant will entitle the holder to purchase one further new ordinary share at UKGBP0.10 (ten pence) per share for a period of two years from the date on which the Placing closed. The new ordinary shares issued pursuant to the Placing are subject to a four month hold period. Commissions of CDN\$8156.25 were paid in connection with the Placing. Final documentation in respect of the Placing has been submitted to the TSX Venture Exchange.

The funds raised are to be applied to the following purposes:

- The examination and implementation of a cost effective processing route for re-treatment of low grade tailings sands;
- Continued work on cost reduction within a detailed feasibility study and updating resource / reserve assessment at the Omagh property
- Progression of underground planning permits, on which the Company expects substantive progress during the second quarter of 2014.
- Working capital purposes.

Kenglo has subscribed for 5,000,000 units for a sum of £250,000. Post the closing of the transaction and the share for debt exchange detailed below, the Company is advised that Kenglo will hold 13,222,068 shares and 5,000,000 warrants in Galantas representing 20.9% of the enlarged Galantas issued share capital, on a diluted basis. As a result, Kenglo is deemed to be a related party of Galantas by virtue of being a Substantial Shareholder in the Company (as defined in the AIM Rules for Companies). As a consequence, the Directors consider, having consulted with their nominated adviser, Charles Stanley Securities, that the terms of the subscription by Kenglo, are fair and reasonable insofar as shareholders are of concerned.

An application for a shares for debt exchange (the "Debt Exchange"), as approved by shareholders on 16th January 2014, is being made to the TSX Venture Exchange. As announced previously, Roland Phelps (President & Chief Executive) has agreed to exchange a loan of GBP£718,256 for 14,365,120 new ordinary shares. Leo O'Shaughnessy (Chief Financial Officer) has agreed to exchange a loan of £16,025 for 320,500 new ordinary shares. Amounts due to certain other third party creditors have also agreed to settlement of amounts owed totalling GBP£21,976, through the issue of 439,520 new ordinary shares. Following the Debt Exchange and the Placing, Mr Phelps and Mr O'Shaughnessy will hold 24.7 per cent and 0.4 per cent of the Galantas enlarged issued share capital respectively. No Warrants will be attached to the new ordinary shares issued in relation to any of the Debt Exchange. This Debt Exchange remains subject to the final approval of the TSX Venture Exchange.

Subject to Toronto Venture Exchange approval of the transactions, application has been made for the 10,330,000 common shares, subject to the Placing, and 15,125,140 common shares, subject to the Debt Exchange, to trading on AIM and admission is expected on 12th May 2014.

Following the Placing and Debt Conversion and subject to approvals, Galantas Gold Corporation's Issued and Outstanding Shares will total 76,697,156.

Roland Phelps, President & CEO, Galantas Gold Corporation, said, "I am pleased that we have had strong support from investors in Northern Ireland, the UK and Canada. The business is at a critical stage of development with an important opportunity close to fruition."

The Company announces that its Annual General Meeting of shareholders will be held on June 17th 2014 at

11am at the offices of Miller Thomson LLP, Scotia Plaza, 40 King St West, Suite 5800, Toronto, Canada.

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS:** *This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws, including potential tailings re-treatment, feasibility studies and planning expectations for the Omagh Gold project. Forward-looking statements are based on estimates and assumptions made by Galantas in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that Galantas believes are appropriate in the circumstances. Many factors could cause Galantas' actual results, the performance or achievements to differ materially from those expressed or implied by the forward looking statements or strategy, including: gold price volatility; discrepancies between actual and estimated production, actual and estimated metallurgical recoveries; mining operational risk; regulatory restrictions, including environmental regulatory restrictions and liability; risks of sovereign involvement; speculative nature of gold exploration; dilution; competition; loss of key employees; additional funding requirements; planning and other permitting issues; and defective title to mineral claims or property. These factors and others that could affect Galantas' forward-looking statements are discussed in greater detail in the section entitled "Risk Factors" in Galantas' Management Discussion & Analysis of the financial statements of Galantas and elsewhere in documents filed from time to time with the Canadian provincial securities regulators and other regulatory authorities. These factors should be considered carefully, and persons reviewing this press release should not place undue reliance on forward-looking statements. Galantas has no intention and undertakes no obligation to update or revise any forward-looking statements in this press release, except as required by law.*

*Neither 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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