

03 Mining Closes C\$40.2 Million “Bought Deal” of Flow-Through and Hard Units

O3Mining

03 Mining Inc. (TSX.V: OIII)

Announced that it has closed its previously-announced “bought deal” brokered private placement of 4,651,200 flow-through units of the Company at a price of C\$4.30 per FT Unit, and 8,599,810 units of the Company at a price of C\$2.35 per Unit.

The gross proceeds of the Offering are approximately C\$40.2 million.

O3 Mining

03 Mining Inc. Closes C\$40.2 Million “Bought Deal” Private Placement of Flow-Through and Hard Units

This News Release is not for Distribution to U.S. Newswire Services or for Dissemination in the United States

Toronto, Ontario, June 19, 2020 – 03 Mining Inc. (TSXV: OIII) (“03 Mining” or the “Company”) is pleased to announce that it has closed its previously-announced “bought deal” brokered private placement of (i) an aggregate of 4,651,200 flow-through units of the Company (the “FT Units”) at a price of C\$4.30 per FT Unit for aggregate gross proceeds of approximately C\$20 million, and (ii) an aggregate 8,599,810 units of the Company (the “Units”) at a price of C\$2.35 per Unit for aggregate gross proceeds of approximately C\$20.2 million, including the exercise in full of the underwriters’ option and additional subscribers on the Company’s President’s List (the “Offering”). **The gross proceeds of the Offering are approximately C\$40.2 million.**

Each FT Unit under the Offering consists of one common share and one-half of one common shares purchase warrant (each whole common share purchase warrant a “Warrant”) of the Company, which will qualify as “flow-through shares” (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) and section 359.1 of the *Taxation Act* (Québec)). Each Unit consists of one common share of the Company and one-half of one Warrant. Each Warrant will entitle the holder thereof to purchase one common share of the Company (a “Warrant Share”) at an exercise price of C\$3.25 for a period of 24 months following the closing of the Offering.

The Warrants shall be callable by the Company should the daily volume-weighted average trading price of the common shares of

the Company on the TSX Venture Exchange exceed C\$3.85 for a period of ten (10) consecutive trading days, at any time during the period (i) beginning on the date that is four months and one day from the closing date of the Offering, and (ii) ending on the date the Warrants expire ("Call Trigger"). Following a Call Trigger, the Company may give notice in writing ("Call Notice") to the holders of Warrants that any Warrant that remains unexercised by the holder thereof shall expire thirty (30) days following the date on which the Call Notice is given.

The gross proceeds from the sale of the FT Units will be used by the Company to incur eligible "Canadian exploration expenses" that qualify as "flow-through mining expenditures" as both terms are defined in the *Income Tax Act* (Canada) (the "Qualifying Expenditures") related to the Company's projects in Québec. The Qualifying Expenditures will be renounced in favour of the subscribers of the FT Units with an effective date no later than December 31, 2020, and in the aggregate amount not less than the total amount of the gross proceeds raised from the issuance of the FT Units. The net proceeds from the sale of the Units will be used by the Company for working capital and general corporate purposes.

[To read the full news release, please click HERE](#)