

Benz raises at a premium

DUAL-listed Benz Mining Corp has raised C\$10 million in a private placement in Canada..



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The company placed just under 9.1 million shares at \$1.10 each, an 80% premium to its August 27 closing price of 61c in Toronto.

Benz was able to issue the placement shares at a premium as they were issued as Canadian charity flow-through shares, which provides tax incentives to those investors for expenditures that qualify as flow-through mining expenditures.

The placement was facilitated by Canadian flow-through share dealer, Peartree Securities, and Peloton Capital.

Benz reported a cash balance of A\$10 million last week, with together with the placement funds, will be used for exploration at the Eastmain project in Canada.

Early Bellevue Gold backer and now Benz executive chairman Evan Cranston identified Eastmain several years ago as a Bellevue lookalike.

The project, previously held by Eastmain Resources, was sold to Benz two years ago.

The company was unable to raise money at the beginning of 2020, but was backed by Cranston and other Australian investors, which led to the appointment of a new predominantly Perth-based management team.

The Eastmain project covers more than 220sq.km of ground covering a 45km strike of the Upper Eastmain greenstone belt.

The project has an indicated and inferred resource of 376,000 ounces of gold at 7.9 grams per tonne gold.

The resource is about 1.2km-long and to a depth of a maximum 400m, but high-grade gold has been encountered over a 10km strike length.

No ground electromagnetic surveys had been conducted since the 1980s, despite numerous VTEM anomalies.

Benz drilled 11 holes last year, all of which hit gold mineralisation.

The company has already drilled 21 holes this year as part of a 50,000m program.

Assays have been received for 17 holes. All but one hit mineralisation, with five returning high-grade gold.

Results included 7.8m at 8.7gpt gold, including 1m at 32.6gpt gold and confirmed a new high-grade zone, taking the number of known mineralised trends to three.

Assays are pending for the remaining holes.

CEO Xavier Braud said despite delays in assays, the presence of visible gold in nine holes let the company know it was on the right track.

The company is also seeing belt-scale, multi-commodity potential at Eastmain.

Cranston pointed to the number of major deposits discovered between Agnew and Wiluna in Western Australia's Goldfields, but noted the entire Eastmain project, which was about two thirds of the size, had less than 200,000m of drilling in its history.

That's mainly due to access issues, but a new all-weather road was built five years ago.

"Exploring the Upper Eastmain greenstone belt in 2021 is a bit like having a virgin version of the Agnew to Wiluna belt to explore with 21st century technology in a world craving minerals," Braud said.

Eastmain has never been explored for base metals, but multiple surface occurrences of polymetallic mineralisation has been identified since the 1980s.

The first regional work during the Canadian summer encountered outcropping lithium-bearing pegmatites at Ruby Hill West, with rock chips returning up to 4.72% lithium.

A third drill rig was due to arrive on site this week.

Benz dropped 5% in Australia yesterday to A75c, valuing the company at about \$65 million.

Source: <https://www.miningnews.net/capital-markets/news/1416904/benz-raises-at-premium>