

# Caravan Announces Closing of Equity Financing & Mineral Claims Acquisitions

Vancouver, British Columbia--(Newsfile Corp. - October 10, 2023) - **Caravan Energy Corporation** (CSE: CNRG) (FSE: V69) ("**Caravan**" or the "**Company**") is pleased to announce, further to its news release dated September 14, 2023, that it has closed its previously announced non-brokered private placement financing ("**Offering**").

Under the Offering, the Company issued:

- i. 7,262,524 non-flow through units of the Company ("**Units**"), at a price of \$0.42 per Unit, for gross proceeds of \$3,050,251, with each Unit comprised of one common share of the Company and one-half-of of one share purchase warrant entitling the holder to purchase one common share at a price of \$0.60 for a period of two (2) years; and
- ii. 6,000,000 flow-through units of the Company ("**FT Units**"), at a price of \$0.50 per FT Unit, for gross proceeds of \$3,000,000, with each FT Unit comprised of one common share that qualifies as a "flow-through share" as defined in the *Income Tax Act* (Canada) and one-half of one flow-through share purchase warrant entitling the holder to purchase one common share at a price of \$0.60 for a period of two years.

The Company raised gross aggregate proceeds of \$6,050,251 through the Offering.

The net proceeds from the sale of the FT Units will be used for qualified expenditures in respect of the Company's mineral properties, and the net proceeds from the sale of the Units will be used for general working capital purposes.

The Company paid finder's fees and advisory fees comprised of an aggregate of 766,800 broker warrants (each, a "**Broker Warrant**") and \$348,994 in cash to certain finders in connection with the sale of Units and FT Units to purchasers introduced to the Company by such finders. Each Broker Warrant entitles the holder thereof to purchase one common share at a price of \$0.60 for a period of two (2) years.

The Units, FT Units, and Broker Warrants, and all underlying securities, are subject to a hold period of four months and one day from the date of issue.

The Offering was approved by a majority of the Company's shareholders. The Company thanks its shareholders for their support and loyalty.

## ***Mineral Claims Acquisitions***

The Company is also pleased to announce, further to its news releases dated, September 11, 2023 and September 25, 2023, that it has closed its previously announced mineral claims acquisitions, acquiring a total of 33 rare earth claims located near Prince George, British Columbia, totalling 11,134 hectares (the "**TREO Acquisition**"), as detailed below.

The Company acquired 24 mineral claims in consideration for \$100,000 in cash, 4,363,636 common shares (each, a "**Consideration Share**") of the Company, and the grant of a 2% net smelter return ("**NSR**") royalty (subject to the Company's right to buy back 50% of the NSR royalty for \$1,000,000). The Consideration Shares are subject to a four month and one day hold period pursuant to applicable securities laws and are subject to a voluntary leak-out schedule whereby they will be released over a 36-month period from the date of hereof.

The Company acquired four mineral claims in consideration for \$100,000 in cash, 1,045,454

Consideration Shares, and the grant of a 2% NSR royalty (subject to the Company's right to buy back 50% of the NSR royalty for \$500,000). \$50,000 of the cash consideration has been paid and the remaining \$50,000 is to be paid on or before January 31, 2024. The Consideration Shares are subject to a four month and one day hold period pursuant to applicable securities laws and will also be subject to a voluntary leak out schedule whereby they will be released over a 30- month period from the date hereof.

Finally, the Company acquired an additional five mineral claims from its recently appointed Chief Executive Officer, Reagan Glazier, in consideration for \$50,000 in cash, 100,000 Consideration Shares, and the grant of a 2% NSR royalty (subject to the Company's right to buy back 50% of the NSR royalty for \$1,000,000) (the "**Glazier Acquisition**"). The Consideration Shares are subject to a four month and one day hold period from the date hereof pursuant to applicable securities laws.

As result of Mr. Glazier's position as Chief Executive Officer and Director, the Glazier Acquisition is a related party transaction within the meaning of meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Glazier Acquisition is exempt from the valuation requirement of MI 61- 101 by virtue of the exemption contained in section 5.5(b) as the Company's common shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101, in that the fair market value of the consideration to be issued pursuant to the Glazier Acquisition will not exceed 25% percent of the Company's market capitalization.

The Company has agreed to pay, upon completion of the Acquisition, a finder's fee of 595,865 common shares (the "**Finder's Fee Shares**"), being equal to 10% of the total consideration value paid pursuant to the TREO Acquisition, to an arm's length party. The Finder's Fee Shares will be subject to a four month and one day hold period pursuant to applicable securities laws.

The TREO Acquisition was also approved by a majority of the Company's shareholders.

## **About Caravan Energy Corp.**

The Company is a mineral exploration company based in Vancouver, BC and holds options over the EBB Nickel-Cobalt Property located in British Columbia, Canada.

## **Contact information**

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## **Forward Looking Statements**

*Certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to the use of proceeds. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "will", "will be" or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are from those expressed or implied by such forward-looking statements or forward-looking information subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different, including receipt of all necessary regulatory approvals. Although management of the Company have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that*

*cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.*

**The CSE has not reviewed, approved, or disapproved the contents of this press release.**

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