

Financing designed for investors, Bristow tips his hat at the MAS Gold incentive program

written by InvestorNews | September 7, 2021

I've spoken before about my simplistic view of junior mining companies. Raise capital, drill and stake, and hope the results of your actions allow you to raise more cash to repeat the cycle until you hopefully have an economically viable resource. Or if you are a shorter term investor, hope that enough is done to get the company taken over or vended into a much larger and deeper pocketed entity. Ultimately there needs to be a catalyst for an investor to be motivated to buy shares in any particular junior mining entity. Sure there are plenty of prospects out there that have interesting land holdings, closeness to an exciting or world class play or perhaps even some great historical information that can create intrigue. However, if you don't have any cash to advance whatever theme you are pursuing and no pending drill results, you have virtually no interest to me. I realize that doesn't mean I'm right, nor does it necessarily make me a better investor, it's just the way I roll.

With that in mind, I recently saw a company doing something creative to generate cash to keep the dream alive. [MAS Gold Corp.](#) (TSXV: MAS) is a Canadian mineral exploration company focused on exploration projects in the prospective La Ronge Greenstone Belt of Saskatchewan. In the belt, MAS Gold operates the Greywacke, North Lake and Point advanced gold projects, each hosting drill-intercepted zones of gold mineralization. Like many junior miner's they have a substantial number of warrants

outstanding as a result of the incentives sometimes required to get investors to purchase a new share issue (especially if you are running low on news). These warrants typically have a life span of 24 to 36 months before the right to exercise the warrant expires. As you would expect, unless the warrant is deep in the money, most warrant holders wait until a few days or weeks of expiration to make a decision. In a sign that they aren't your typical run of the mill gold mining company, MAS Gold has created an incentive program to have investors step up to the plate well before warrant expiry.

I'm sure this isn't a unique undertaking, or maybe it is in which case I definitely tip my hat to them, but I know I haven't seen something like this before and I'm certainly no stranger to warrants (I believe I currently hold 46 warrant positions in various companies). In an effort to get the cash in the door on a more timely basis, on August 17th of this year MAS Gold [announced](#) commencement of an Early Warrant Exercise Incentive Program. They are looking to expedite the exercise of up to 50.4 million warrants with strikes that are either at or pretty close to Friday's close of \$0.105/share. Generally speaking, a warrant holder has until September 16th to exercise existing warrants they hold and if they do, for every two warrants they convert to common shares they will get another "incentive" warrant exercisable at \$0.20. But wait, there's more. A second option allows you to pay a \$0.02 premium to your current warrant exercise price and in return get two flow through shares plus the incentive warrant. This could raise as much as \$5.1 million if everyone elects option A or an additional \$1.0 million if option B is chosen, which would go a long way towards generating plenty of news for this very capital efficient Company.

However, being creative about raising capital doesn't make for a very exciting investment thesis. Granted it helps a lot but you

aren't buying a junior gold company for their unique ability to finance themselves. It's all about what they can turn those funds into. This is where MAS Gold starts to look pretty intriguing. As I noted above, they are efficient purveyors of capital. For roughly \$3.5 million the company was able to drill 25 holes for over 5,400 meters given that the bulk of their targets are from 100-250 meters. This generated some pretty impressive results at their [Greywacke Lake property](#) including some high grade showings: DDH GW21-128 hosts 7.36 g/t over 9.9m and DDH GW21-142 with 3.8 g/t over 8.16m; including 5.7 g/t over 2m and 10.87 g/t over 1m. At their [Preview-North Lake property](#) spring drilling highlights include Hole NL21-052: 0.927 grams gold/tonne over 122.5 metre interval and Hole NL21-054: 1.249 grams gold/tonne over 117.2 metre interval. As you can see, two very different projects located in the same corridor roughly 20 kms apart.

The best part is, there is still more news to come as the Company recently initiated its [summer drill program](#) designed to continue testing the down dip extension of the North Lake deposit. An additional 10-12 drill holes are planned while last week MAS Gold closed a fully subscribed [private placement](#) financing for \$1.5 million. We'll know by mid-September how successful the early warrant exercise program worked which could give the Company ample funding to continue pumping out the results. Drill, results, repeat, that's the kind of junior mining company I pay attention to.