

Euro Sun Mining Announces the Filing and Receipt of the Preliminary Prospectus Relating to the Previously Announced Bought Deal Public Offering of Units



May 21, 2020 (Source) – Euro Sun Mining Inc. (TSX: ESM) (“Euro Sun” or the “Company”) is pleased to announce that it has filed, and obtained a receipt for, a short form preliminary prospectus today with the securities regulatory

authorities in each of the provinces of Canada, except Quebec, in connection with its previously announced offering whereby Sprott Capital Partners LP on its own behalf and, if applicable, on behalf of a syndicate of underwriters (together, the “Underwriter”) pursuant to which the Underwriter has agreed to purchase, on a bought deal basis, 51,282,052 units of the Company (the “Units”) at a price of C\$0.39 per Unit (the “Issue Price”) for gross proceeds of approximately C\$20,000,000 (the “Offering”).

Each Unit will be comprised of one (1) common share in the capital of the Company (each, a “Common Share”) and one half of one Common Share purchase warrant entitling the holder to purchase one Common Share at C\$0.55 at any time on or before the date which is 36 months after the Closing Date (as defined below).

The Company has granted to the Underwriter the option to

purchase up to that number of additional Units equal to 15% of the Offering size at the Issue Price to cover over-allotments, if any, and for market stabilization purposes (the “**Over-Allotment Option**”). The Over-Allotment Option will be exercisable in whole or in part, at any time and from time to time, for a period of 30 days from and including the Closing Date. If the Over-Allotment Option is exercised in full, an additional C\$3,000,000 will be raised pursuant to the Offering, and the aggregate gross proceeds of the Offering will be approximately C\$23,000,000.

The Company intends to use the net proceeds of the Offering for the exploration and development of the Company’s projects, including permitting and feasibility study and for working capital purposes.

The Offering is scheduled to close on or about June 5, 2020, or such other date as may be agreed to between the Company and the Underwriter (the “**Closing Date**”) and is subject to certain conditions, including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange (the “**TSX**”) and applicable securities regulatory authorities.

On the Closing Date, the Company shall pay to the Underwriter a cash commission of 7% of the gross proceeds raised under the Offering (including in connection with the exercise of the Over-Allotment Option) and shall issue warrants of the Company to the Underwriter, exercisable for a period of 24 months following the Closing Date, to acquire that number of Common Shares which is equal to 7% of the number of Units sold under the Offering (including Units issued in connection with the exercise of the Over-Allotment Option) at an exercise price equal to the Issue Price.

About Euro Sun Mining Inc.

Euro Sun is a Toronto Stock Exchange listed mining company

focused on the exploration and development of its 100%-owned Rovina Valley gold and copper project located in west-central Romania, which hosts the second largest gold deposit in Europe.

Caution regarding forward-looking information:

This press release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, without limitation, statements regarding the Offering, the Over-Allotment Option, the anticipated Closing Date and the use of proceeds of the Offering. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including risks inherent in the mining industry and risks described in the public disclosure of the Company which is available under the profile of the Company on SEDAR at www.sedar.com and on the Company’s website at www.eurosunmining.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in 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 information 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 information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

The TSX does not accept responsibility for the adequacy or accuracy of this news release.

This news release does not constitute an offer to sell or a

solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.