

# Desert Lion Energy Completes \$7MM Financing and Announces Upsize to Previously Announced Equity Private Placement

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TORONTO, Dec. 10, 2018 /CNW/ - [Desert Lion Energy Inc.](#) (TSXV: DLI) (OTCQB: DSLEF) ("Desert Lion" or the "Company") is pleased to announce it has successfully closed the initial tranche of secured convertible promissory notes (the "Notes") for gross proceeds of \$5,000,000 with AIP Asset Management ("AIP") and has concurrently closed a non-brokered private placement of 28,582,143 units ("Units") at a price of \$0.07 per Unit for gross proceeds to the Company of approximately \$2,000,000 (the "Private Placement").

The Company is also pleased to announce that, as a result of strong investor demand, it has increased the size of the Private Placement and, subject to approval of the TSX Venture Exchange ("TSXV"), plans to close a second tranche of Units for additional gross proceeds to the Company of \$1,000,000.

Of the gross proceeds of the Notes, \$4,000,000 may be converted into common shares of the Company at a price of \$0.20 per share (the "Conversion Price") at any time prior to maturity with the balance of \$1,000,000 to be repaid to AIP on maturity in cash. The Notes will mature on December 7, 2020 and are secured against all of the assets of the Company and its subsidiaries. The Notes will bear interest at a rate of 12% per annum with 8% settled in cash and 4% settled by the issuance of common shares. Interest will reduce to 8% per annum with all interest settled in cash or shares, as determined by the Company, where the closing price of the Company's common shares on the TSXV is at or above the Conversion Price on the last trading day of any month. Interest accrued in connection with the Notes shall be payable monthly in cash or through the issuance of common shares at the prevailing market price of the common shares on the TSXV at the time of issuance. A second tranche of Notes for gross proceeds of \$5,000,000 is also available to the Company under the Note Purchase Agreement with AIP to fund acquisitions as mutually agreed by AIP and the Company.

Each Unit issued in the Private Placement is comprised of one common share of the Company and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder thereof to acquire one additional common share of the Company at a price of \$0.20 until December 7, 2020.

"AIP's investment of \$5,000,000, with an additional \$5,000,000 available for potential acquisitions, \$2,000,000 from equity investors as well as the additional demand from existing shareholders and other investors reiterates management's belief in the potential for the Desert Lion Energy project," commented Tim Johnston, CEO of [Desert Lion Energy Inc.](#) "The financing will allow us to continue to build upon the excellent results recently published in the PEA and support initiatives for strategic growth as we develop a world class lithium company."

"AIP invests in companies with strong management teams, world class assets and large upside growth potential. This strategy used by AIP Global Macro Fund LP has resulted in an average return of over 40% per year since 2014. We are highly selective of management teams and the companies we work with and we are proud to announce that Desert Lion was able to meet these requirements," commented Jay Bala, Senior Portfolio Manager of AIP Asset Management.

The Company paid a cash facility fee to AIP of \$150,000 and, on a shares-for-debt basis, has settled the \$200,000 closing fee by the issuance to AIP of 2,857,142 common shares of the Company at a deemed price of \$0.07 per share.

Pella Ventures Limited ("Pella"), a company controlled by Adonis Pourourlis (Chairman of the board of the Company), has participated in the Private Placement as a subscriber for 7,142,857 Units for proceeds of \$500,000. Pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special

Transactions ("MI 61-101"), the subscription for Units by Pella constitutes a "related party transaction" as Pella is a related party of Desert Lion as it is controlled by Adonis Pouroulis, Chairman of the board of Desert Lion. The Company is relying on an exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 on the basis that the value of the subscription is less than 25% of the Company's market capitalization.

Concurrently, Stephen Theron has resigned as a director of the Company effective immediately. The Company thanks Mr. Theron for his services and wishes him well in his future endeavors.

#### About Desert Lion Energy

Desert Lion Energy is an emerging lithium development company focused on building Namibia's first large-scale lithium mine to be located approximately 210 km from the nation's capital of Windhoek and 220 km from the Port of Walvis Bay. The Company's Rubicon and Helikon mines are located within a 301 km<sup>2</sup> prospective land package. The project site is accessible year-round by road and has access to power, water, rail, port, airport and communication infrastructure.

#### About AIP Asset Management

It is a well-recognized, award-winning asset management firm. Most recently, it took home the 2017 Hedge week Award for Best Macro Hedge Fund and in 2014, it was nominated for the Ernst and Young Entrepreneur of the Year Award &#8211; the world's most prestigious business award for entrepreneurs. Its core focus is to help clients, be they institutions, hedge funds, mutual funds, family offices, or retail investors, achieve their investment goals.

#### Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. Generally, any statements that are not historical facts may contain forward-looking information, and forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or indicates that certain actions, events or results "may", "could", "would", "might" or "will be" taken, "occur" or "be achieved." Forward-looking information includes, but is not limited to, statements and expectations regarding the closing of the Offering and the timing thereof. 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.

Although the Company has attempted to identify important factors that cause results not to be as anticipated, estimated or intended, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this presentation and the Company does not undertake to update or revise any forward-looking information this is included herein, except in accordance with applicable securities laws.

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