

# Talon Announces Financing Transactions and Conversion of Outstanding Debt Facilities

07.03.2019 | [Newsfile](#)

Road Town, March 7, 2019 - [Talon Metals Corp.](#) (TSX: TLO) ("Talon" or the "Company") is pleased to announce that it has raised a total of C\$9.825 million. The Company expects to close an additional tranche in the amount of C\$350,000 which in aggregate will result in the Company raising a total of C\$10.175 million. These funds will be used to, among other things, make the initial payment under its existing joint venture agreement in respect of the Tamarack Project (the "JV Agreement"). The Company has also entered into a series of conversion transactions with Resource Capital Fund VI L.P. ("RCF"), which has eliminated approximately C\$32 million in debt.

"Today's announcement represents a major milestone for Talon," said Sean Werger, President of the Company. "We have raised the money required to make the upfront payment to lock-in our option to earn up to a 60% interest in the Tamarack Project; we have become a debt-free Company, with RCF converting 95% of its debt at C\$0.156 per common share, representing nearly a 100% premium to the price at which the Company has just raised capital; and we now have excellent investors in both Triple Flag and RCF."

## Financing Arrangements

The Company is pleased to announce that it has completed a private placement offering of 39,375,000 common shares at a price of C\$0.08 per share for aggregate gross proceeds of C\$3.15 million. The Company expects to close a second tranche for additional gross proceeds of C\$350,000.

In addition, Talon Nickel (USA) LLC, a wholly owned subsidiary of Talon, has agreed to grant a net smelter returns royalty to 10782343 Canada Limited (the "Holder"), a subsidiary of Triple Flag Mining Finance Bermuda Ltd., in consideration of the payment of US\$5.0 million. The Company, together with its subsidiaries, Cloudmine Holdings Limited and Talon Metals (USA) Inc., have agreed to guarantee the payment and performance obligations under the royalty agreement. The royalty is 3.5% of net smelter returns and will be paid out of Talon's participating interest in the Tamarack Project. The royalty agreement contains a put right pursuant to which the Holder has in certain instances an option to cause Talon to repurchase the entire royalty for a cash payment of US\$8.6 million. If the Holder does not exercise the put right, Talon has a one-time option to reduce the percentage of the royalty to 1.85% in exchange for cash in the amount of US\$4.5 million in cash. Talon and its related entities have provided security to the Holder to support the payment and performance obligations related to the royalty and the guarantees. In connection the royalty agreement, Talon has issued the Holder 5,000,000 warrants exercisable to acquire one common share for a period of 36 months following the closing date at an exercise price of \$0.0826 per share.

Finder's fees of 6% cash and 6% broker warrants ("Broker Warrants") are payable in connection with certain orders under the Offering and in respect of the royalty agreement. Each Broker Warrant is exercisable to acquire one common share for a period of 36 months following the closing date at an exercise price of \$0.0826 per share.

The proceeds received by the Company from the royalty agreement and some of the proceeds from the Offering will be used by the Company to make the initial US\$6 million cash payment due under the JV Agreement. In addition, the Company has issued 25,031,250 common shares to its joint venture partner in satisfaction of Talon's requirement to issue US\$1.5 million in shares under the terms of the JV Agreement. This issuance assumes an agreed foreign exchange rate of C\$1.3350 = US\$1 and a deemed issuance price of \$0.08 per share. The remaining proceeds of the Offering will be used by the Company for working capital purposes.

## Debt Conversion

The Company is pleased to announce that it has renegotiated the terms of the amending agreements with RCF in respect of its outstanding convertible loan and promissory note previously announced on November 8, 2018.

RCF has agreed to convert the outstanding principal and interest under the Company's existing US\$16 million convertible loan facility (the "Convertible Loan") at the previously approved conversion price of C\$0.156 per share (the "Convertible Loan Conversion"). In connection therewith, RCF will be issued 196,776,515 common shares (which assumes an exchange rate of C\$1.3350 = US\$1 and accrued interest to March 6, 2019). The Convertible Loan was previously approved by shareholders in December 2015 and then again, as amended in January 2017.

In respect of the outstanding US\$1 million unsecured promissory note (the "Promissory Note"), the parties have agreed to repay the Promissory Note by delivering common shares of Talon at a conversion price of equal to C\$0.0826 (the "Promissory Note Conversion"). In connection with the Promissory Note Conversion, RCF will be issued 18,043,542 common shares in the capital of Talon (which uses an agreed exchange rate of C\$1.3350 = US\$1 and accrued interest to March 6, 2019).

RCF is a "related party" of the Company pursuant to Multilateral Instrument 61-101 ("MI 61-101") as RCF, assuming the exercise of the conversion rights under the existing Convertible Loan, has beneficial ownership of, and control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities. The Promissory Note Conversion is a "related party transaction" under MI 61-101 as such transaction can be considered either a material amendment of the terms of an outstanding debt or liability owed to a related party and/or contemplates a security which is being issued to a related party. In connection with the Promissory Note Conversion, the Company is exempt from seeking "minority approval" (as defined in MI 61-101) and from the requirement to obtain a "formal valuation" pursuant to section 5.5 and 5.7 of MI 61-101 as the fair market value of the transaction is not more than 25% of the market capitalization of Talon.

As a result of the Convertible Loan Conversion and the Promissory Note Conversion, the C\$3.15 million private placement and the issuance of shares to its joint venture partner, RCF will hold approximately 55.6% of the issued and outstanding shares of Talon.

The transactions discussed herein are subject to the final approval of the TSX.

#### About Talon

Talon is a TSX-listed company focused on the exploration and development of the Tamarack Nickel-Copper-Cobalt Project in Minnesota, USA (which comprises the Tamarack North Project and the Tamarack South Project). The Company has a well-qualified exploration and mine management team with extensive experience in project management.

For additional information on Talon, please visit the Company's website at [www.talonmetals.com](http://www.talonmetals.com) or contact:

Sean Werger  
President  
[Talon Metals Corp.](http://TalonMetalsCorp.com)  
Tel: (416) 500-9891  
Email: [werger@talonmetals.com](mailto:werger@talonmetals.com)

#### About Triple Flag

Triple Flag Mining Finance Bermuda Ltd. and its subsidiaries together constitute Triple Flag. Triple Flag primarily targets streaming and royalty investments in the mining sector with backing by funds advised by Elliott Management Corporation, an experienced global investment firm with approximately \$34 billion of assets under management. Triple Flag's focus is on being a leading sought-after long-term funding partner to mining companies throughout the commodity cycle. In less than 3 years, Triple Flag has committed over US\$840 million to the mining sector, with a primary focus on precious metal streaming and royalty

investments. For more information, visit <http://www.tripleflagmining.com>.

### Forward-Looking Statements

This news release contains certain "forward-looking statements". All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Such forward-looking statements include statements relating to the use of proceeds and final approval of the TSX. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause the actual results to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/43296>

---

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/321176--Talon-Announces-Financing-Transactions-and-Conversion-of-Outstanding-Debt-Facilities.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer](#)!

---

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!  
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).