

Nemaska Lithium Announces Pricing and Closing of Books on USD 350M Bond Offering

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QUEBEC CITY, Quebec, May 10, 2018 (GLOBE NEWSWIRE) -- [Nemaska Lithium Inc.](#) ("Nemaska Lithium" or the "Corporation") (TSX:NMX) (OTCQX:NMKEF) (FRANCFORT:N0T) is pleased to announce that it has priced and closed the books on its offering (the "Bond Offering") of senior secured callable bonds in the aggregate principal amount of USD 350M (the "Bonds"). Clarkson Platou Securities and Pareto Securities, acted as joint lead managers for the Bond Offering.

The Bonds are USD-denominated with a five-year term, unless earlier repurchased or redeemed, and bear interest at a rate of 11.25% *per annum*, payable quarterly and in arrears on the relevant interest payment day in February, May, August and November of each year, commencing on August 30, 2018.

The Bonds will be senior debt of the Corporation and guaranteed by Nemaska Lithium Whabouchi Mine Inc. ("NMX Whabouchi") and Nemaska Lithium Shawinigan Transformation Inc. ("NMX Shawinigan"), each a wholly-owned subsidiary of the Corporation. Subject to certain exceptions, the Bonds will be secured on a first priority basis over all material assets (tangible and intangible) of the Corporation, NMX Whabouchi and NMX Shawinigan, and will also be secured by a second ranking pledge of the shares of Nemaska Lithium P1P Inc., another wholly-owned subsidiary of the Corporation.

The Bonds will be repaid based on a 24-month amortization schedule in respect of 50% of the aggregate principal amount of the Bonds, commencing on the date that is 36 months following the Settlement Date. In addition, the Corporation may, at its option, redeem the Bonds in whole or in part at stated redemption prices which are dependent on the applicable redemption date.

The proceeds of the Bond Offering will, upon disbursement to the Corporation, be used for the payment of capital expenditures, operating expense and financing costs associated with the development of the Corporation's Whabouchi mine and Shawinigan plant (together, the "Project").

The settlement date of the Bond Offering is expected to be on or about May 30, 2018 (the "Settlement Date"). Upon satisfaction of certain conditions precedent customary for these types of transactions, the net proceeds of the Bond Offering will be placed into a USD escrow account (the "Trust Account"). These conditions precedent include, but are not limited to, funding of the Trust Account by the Corporation such that upon deposit into the Trust Account of the net proceeds of the Bond Offering, the aggregate sum held on deposit therein (the "Bond Funds") will equal 100% of the aggregate principal amount of the Bonds plus 3 months' interest.

The Trust Account will be pledged in favour of the Bondholders and the initial drawdown, as well as subsequent drawdowns, of the Bond Funds by the Corporation from the Trust Account to prescribed operating expense accounts will be subject to conditions precedent customary for these types of transactions. The conditions precedent for the initial drawdown of the Bond Funds include, but are not limited to, the following:

(a) the Corporation having raised minimum net proceeds from equity offerings of USD 299 million;

(b) the Corporation having received the proceeds from the streaming facility of USD 150 million (the "Stream Facility");

- (c) subject to provision for a cost overrun account, the proceeds from the aforementioned equity offerings and Stream Facility having been spent in accordance with the stipulated uses of the Corporation's operating expense account;
- (d) the Corporation having executed offtake contracts with arm's length parties for a minimum amount of spodumene concentrate over a specified period of time;
- (e) the Corporation having either (i) executed amendment agreements to its existing offtake agreements or (ii) entered into alternate offtake agreements for lithium carbonate and/or lithium hydroxide, which alternate offtake agreements must satisfy prescribed conditions;
- (f) the Corporation having executed and/or obtained relevant material project documents, agreements and governmental, regulatory and environmental permits and authorizations related to the Project;
- (g) the Corporation having provided satisfactory evidence that the right of the *Société de développement de Shawinigan Inc.* to resolve (cancel) the sale of the Shawinigan site to NMX Shawinigan has been extinguished;
- (h) the mining rights of the Corporation and NMX Whabouchi being in good standing;
- (i) the intercreditor agreement in respect of the Stream Facility and certain other intercreditor agreements in respect of additional senior secured obligations as permitted under the terms of the Bonds (the "Bond Terms") having been executed; and
- (j) the security package over all of the assets to be charged in connection with the Bond Offering, and any other senior secured obligations as contemplated in connection therewith, having been executed and rendered opposable to third parties.

The Bonds will be reimbursed, with accrued interest, from the Bond Funds in the event that the Corporation has not, prior to the date that is three (3) months from the Settlement Date (the "Long Stop Date"), met certain conditions precedent, including those enumerated in items (a), (b) (only with respect to 50% of such Stream Facility proceeds), (f) (to the extent applicable), (h), (i) (to the extent applicable) and (j).

Following the Long Stop Date, and upon satisfaction of all conditions precedent to the disbursement of funds, drawdowns may be made from the Trust Account subject to the following: (i) drawdown amounts will be limited to the aggregate amount of Project costs outstanding at the time plus Project costs falling due for payment over the next 60 days, (ii) each drawdown must be accompanied by a notice which, among other things, must be countersigned by an independent engineer confirming that the Project costs are associated with the Project and that the "cost-to-complete test" (*i.e.* the Corporation has sufficient funds available to achieve completion of the Project) has been satisfied, and (iii) a minimum of three drawdowns must be made over the 5-year term of the Bonds, provided that full draw down must be completed before June 2021.

The full text of the Bond Terms will be filed and available on the Corporation's corporate profile on SEDAR at www.sedar.com following the Settlement Date and readers are urged to refer to the full text of the Bond Terms for all of the terms and conditions of the Bonds.

The Corporation intends to apply to list the Bonds on the Nordic Alternative Bond Market (ABM).

Project Financing Update

The Corporation previously announced a USD 775-825M intended financing structure to fund the construction, commissioning, working capital and reserve funds for the Project (the "Project Financing") and

also for general corporate working capital. References are made to the press releases of the Corporation dated March 28, 2018, April 6, 2018, April 12, 2018, April 20, 2018 and April 25, 2018 in relation thereto. The completion and disbursement of funds under the individual component financings comprising the Projecting Financing package are subject to several conditions precedent or escrow release conditions, and the receipt of regulatory approvals (including approval of the Toronto Stock Exchange).

About Nemaska Lithium

Nemaska Lithium is a developing chemical company whose activities will be vertically integrated, from spodumene mining to the commercialization of high-purity lithium hydroxide and lithium carbonate. These lithium salts are mainly destined for the fast-growing lithium-ion battery market, which is driven by the increasing demand for electric vehicles and energy storage worldwide. With its products and processes, Nemaska Lithium intends to facilitate access to green energy, for the benefit of humanity.

The Corporation will be operating the Whabouchi mine in Québec, Canada, one of the richest lithium spodumene deposits in the world, both in volume and grade. The spodumene concentrate produced at the Whabouchi mine will be processed at the Shawinigan plant using a unique membrane electrolysis process for which the Corporation holds several patents.

Nemaska Lithium is a member of the S&P/TSX SmallCap Index, S&P/TSX Global Mining Index, S&P/TSX Global Base Metals Index, S&P/TSX Equal Weight Global Base Metals Index, and the MSCI Canada Small Cap Index. For more information, visit nemaskalithium.com or twitter.com/Nemaska_Lithium.

Important notice

The information contained in this announcement is for background purposes only and does not purport to be full or complete. The announcement does not constitute an offer to sell or the solicitation of an offer to buy Bonds or other securities in any jurisdiction. The publication, distribution or release of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with applicable U.S. state securities laws. The Corporation does not intend to register any securities referred to herein in the United States or to conduct a public offering of securities in the United States.

Cautionary Statement on Forward-Looking Information

All statements, other than statements of historical fact, contained in this press release including, but not limited to, those relating to the Bond Offering and the Corporation's intended Project Financing package to bring its Project to commercial production, constitute "forward-looking information" and "forward-looking statements" within the meaning of certain securities laws and are based on expectations and projections as of the date of this press release. Certain important assumptions by the Corporation in making forward-looking statements include, but are not limited to, (a) the successful settlement of the Bond Offering, (b) the satisfaction, in a timely manner, by the Corporation of certain conditions precedent by the Long Stop Date, (c) the satisfaction, in a timely manner, by the Corporation of certain material conditions precedent required to permit the disbursement of the proceeds of the Bond Offering, and (d) the Corporation having raised a sufficient amount under all components of the Project Financing to bring the Project to commercial production. There can be no assurance that these assumptions will prove to be correct.

Forward-looking statements contained in this press release including, without limitation, those related to (i) the settlement of the Bond Offering, (ii) the use of proceeds of the Bond Offering, (iii) the satisfaction of conditions precedent to the Long Stop Date and to the disbursement of the Bond proceeds, (iv) the application for the Bonds's listing on the Nordic ABM, (v) the Corporation's intended Project

Financing package, (vi) the completion of the Project Financing in general and as regards each component thereof, and the satisfaction of conditions precedent to the release of proceeds therefrom to the Corporation, and (vii) generally, the above "About Nemaska Lithium" paragraph which essentially describes the Corporation's outlook, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws, and are based on expectations, estimates and projections as of the time of this press release. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect.

Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that a comprehensive USD 775M to USD 825M Project Financing and general corporate working capital financing package will be put in place and the actual results of financing endeavors and future events, could differ materially from those anticipated in such statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important risk factors and future events could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions and intentions expressed in such forward-looking statements. All of the forward-looking statements made in this press release are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the "Risk Factors" section of the Corporation's Annual Information Form dated October 5, 2017 and the "Risk Exposure and Management" section of the Corporation's quarterly Management Discussion & Analysis. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Further information regarding Nemaska Lithium is available in the SEDAR database (www.sedar.com) and on the Corporation's website at: www.nemaskalithium.com.

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