

Nouveau Monde Graphite Announces a Private Placement of \$10.3 Million by the Pallinghurst Group, a Leading Global Mining Investor

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SAINT-MICHEL-DES-SAINTS, Québec, April 03, 2019 -- [Nouveau Monde Graphite Inc.](#) (“Nouveau Monde” or the “Corporation”) (TSX VENTURE: NOU) (OTCQB: NMGRF) (FRANKFURT: NM9) is pleased to announce that it has entered into definitive agreements in connection with a non-brokered private placement with Pallinghurst Graphite Limited, an affiliate of The Pallinghurst Group (“Pallinghurst”) for an amount of C\$10,298,875 pursuant to which Pallinghurst has agreed to subscribe to 43,825,000 common shares (the “Shares”) in the capital of the Corporation, at a price of \$0.235 per Share (the “Offering Price”) (the “Pallinghurst Placement”). The Pallinghurst Placement is subject to customary closing conditions, including approval of the TSX Venture Exchange (“TSXV”). Upon closing, which is expected to occur before April 30, 2019, Pallinghurst will hold approximately 19.99% of the Shares.

No brokerage, investment banking or similar fees will be paid by the Corporation for the Pallinghurst Placement and the Shares to be issued to Pallinghurst and in the Institutional Placement (as defined below) will be subject to a statutory hold period that extends four (4) months plus one (1) day from the closing of each.

In addition to the Pallinghurst Placement, Nouveau Monde intends to complete a second private placement to selected existing institutional shareholders and other investors which is expected to close in May 2019 (the “Institutional Placement”). The closing of the Institutional Placement is subject to customary closing conditions including the receipt of all necessary approvals, including the approval of the TSXV. The combined proceeds of the Pallinghurst Placement and the Institutional Placement are expected to be approximately C\$22,000,000 million (the “Combined Equity Raise”).

The Combined Equity Raise is expected to provide Nouveau Monde with sufficient funding for its next stage of development of the Matawinie project (the “Matawinie Project”), a graphite development project located in the Saint-Michel-des-Saints area. The introduction of Pallinghurst as a cornerstone shareholder in Nouveau Monde is expected to bring added value to the Matawinie Project. Specifically, the net proceeds from the Combined Equity Raise will be used to fund the continued operation of the existing graphite flake plant, the construction of a demonstration plant, the ongoing permitting process for the Matawinie Project and for working capital and general corporate purposes.

Nouveau Monde operational update

Nouveau Monde’s experienced management team continues to advance the Matawinie Project as projected. As reported in January 2019, the Corporation’s progresses include:

- the continued focus on strong community relations, the signing of a framework agreement with the Conseil des Atikamekw de Manawan and the Conseil de la Nation Atikamekw, as well as an agreement in principle with the municipality of Saint-Michel-des-Saints;
- the construction and commissioning of the graphite flake concentrate demonstration plant;
- the completion of a Definitive Feasibility Study, disclosed in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;
- a significant increase of the West Zone Mineral Resources of the Tony Block; and
- the signing of a license and a collaboration agreement with Hydro-Québec concerning the value-added product process for graphite.

In the first quarter of 2019, Nouveau Monde has continued to successfully operate its flake graphite concentrate demonstration plant, allowing the ongoing qualification of its product with potential customers. The Corporation has also secured a binding five-year 25,000 tonnes per annum offtake and joint marketing agreement with a global commodity trading and logistics company, Traxys Group, as announced *in the February 14, 2019 press release*.

Eric Desaulniers, President and CEO of Nouveau Monde commented, *“We are proud to secure an investment by The Pallinghurst Group, which brings expertise in developing mining operations and the funding for the development of the Matawinie Project. The introduction of one of the world’s leading mining investors into Nouveau Monde confirms the potential of the Matawinie Project to become a major, world-leading producer of low cost, high-purity battery grade graphite.”*

Brian Gilbertson, Chairman of Pallinghurst commented, *“Quebec is one of the world’s most attractive mining locations, so I am very pleased about our investment into Nouveau Monde Graphite, a company set to play a central role in the supply of battery materials in North America. Pallinghurst intends to support the company as it builds its mine and realises its full potential”*;

Arne H. Frandsen, Managing Partner of Pallinghurst commented, *“The electric vehicle and energy storage revolution is upon us. The future demand for battery grade materials – including graphite - is set for explosive growth. The Pallinghurst Group has its exclusive focus on the ethical and sustainable extraction of battery materials. For the past year, we have worked with Eric and his team, developing our understanding of Nouveau Monde, and we are both delighted and excited by the opportunity to invest in a world-class asset with an exceptional management team. Together with existing shareholders, we intend to provide the necessary equity capital and mining expertise to ensure that the Matawinie Project is brought into full production. As the largest graphite operation in the Western world, Nouveau Monde is poised to become the key source of battery-grade graphite for North America.”*

Details of the Pallinghurst Placement

In the context of the Pallinghurst Placement, the parties have agreed to the following rights and obligations:

- Pallinghurst has been granted (i) anti-dilution rights in respect of subsequent equity offerings for capital raises and subsequent issuances of securities by the Corporation in order to maintain its 19.99% ownership, which will, subject to certain conditions, continue for up to two years from closing of the Pallinghurst Placement, and (ii) a right of first refusal over additional financings until, subject to certain conditions, the end of fiscal year 2019;
- Pallinghurst is entitled to appoint two directors to the board of directors of Nouveau Monde provided that Pallinghurst retains a minimum ownership of at least 10% of the Shares outstanding;
- As the Combined Equity Raise is expected to provide Nouveau Monde sufficient liquidity to fully fund its next stage of development, Nouveau Monde has agreed that, except for the Institutional Placement, it shall not raise additional equity financing without the prior written consent of Pallinghurst until the end of fiscal year 2019;
- Pallinghurst will not sell its Share for up to two years following the closing of the Pallinghurst Placement; and
- Nouveau Monde and Pallinghurst have agreed to work together exclusively for a 60 day-period from the closing of the Pallinghurst Placement to determine and negotiate in good faith the most appropriate equity funding plan for the entire capital required to bring the Matawinie project into commercial production (for more information on the costs related to the Matawinie Project, refer to press release dated October 25, 2018). The parties are under no obligation to reach an agreement on a funding plan but if an agreement is reached, a shareholder approval will be required.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.

About Nouveau Monde Graphite

In 2015, Nouveau Monde Graphite discovered a major and high-quality graphite deposit on its Matawinie property, located in Saint-Michel-des-Saints, 150 km North of Montréal. This discovery led to the completion of a Feasibility Study, which revealed strong economics with projected graphite concentrate production level of 100,000 tonnes per year over a 26-year period. Nouveau Monde will operate its demonstration plant until 2020. During this period, the Corporation expects the production of 2,000 tonnes of concentrated flake graphite to qualify its products with North American and international clients.

Moreover, in a vertical integration and sustainable development perspective, Nouveau Monde is planning the establishment of a large-scale graphite secondary transformation facility, catering the needs of the booming lithium-ion battery and expandable graphite markets.

With over 60 years of experience in the world of graphite, Nouveau Monde's team develops its project with the utmost respect of neighbouring communities, while favoring a minimal ecological footprint. Nouveau Monde's project is privileged by direct access to the workforce and infrastructure needed to operate its mining project, and it can also rely on an abundant, affordable and renewable source of hydroelectricity.

About The Pallinghurst Group

The Pallinghurst Group is a London based leading strategic investor in the global metals and mining sector with significant development, operational and financial expertise in mining. For the past 12 years, Pallinghurst has put US\$1.5 billion of equity capital to work in a number of mining projects. As a hands-on investor, Pallinghurst seeks to act as a catalyst for developing and the unlocking of value for the benefit of all stakeholders. Pallinghurst's investors consist of blue-chip family offices, sovereign wealth funds as well as specialised mining investors.

To learn more about Pallinghurst : www.pallinghurst.com/

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 closing and expected timing of closing of the Pallinghurst Placement and the Institutional Placement (including the satisfaction of the closing conditions), the subscription and amounts to be subscribed for by the investors contemplated by the Institutional Placement, the negotiation and execution of definitive agreements with respect to the funding plan required to finance the Matawinie Project, the intended use of proceeds of the Combined Equity Raise, , the Corporation's long-term potential, its cost advantage and its reserves, the development, construction, operation and commissioning of the Matawinie Project and generally, the above "About Nouveau Monde" 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 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 endeavors to develop the Matawinie Project and, more generally, its 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 31, 2018. 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.

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Further information regarding Corporation is available in the SEDAR database (www.sedar.com) and on the Corporation's website at: www.nouveau monde.ca

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