

# Western Potash Corp. Signs C\$85,000,000 Financing Transaction With Appian Capital

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## And Announces Investment Review Clearance of C\$80,000,000 Equity Investment by Vantage Chance Limited

VANCOUVER, April 28, 2022 - [Western Resources Corp.](#) (the "Company") (TSX: WRX) is pleased to announce today that its wholly owned subsidiary, Western Potash Corp. ("Western"), has entered into a C\$85,000,000 term loan facility financing transaction (the "Loan Transaction") with Appian Capital Advisory LLP ("Appian"). The Loan Transaction has been negotiated at arm's length and will not materially affect control of the Company. Proceeds of the Loan Transaction will enable Western to continue and complete the remaining construction and development of the Milestone Phase I Project (the "Project"), pay out existing creditors and for general and administrative expenses of the Project.

The Loan Transaction includes:

1. a six-year term loan facility of up to USD equivalent of C\$85,000,000, at an interest rate of 12.5% per annum.
2. the grant of a 1.5% royalty based on the gross revenue of the Project to Appian; and
3. the issuance to Appian by the Company of 20,774,030 warrants ("Warrants") as part of the consideration for the Facility, which will allow Appian, after exercise, to acquire up to 20,774,030 common shares of Company, which currently represents 11.1% of the Company's issued and outstanding common shares, and will represent up to 9.9% of the Company's issued and outstanding common shares on a post-transaction basis. The main terms of the Warrants are as follows:
  - a) The Warrants can be exercised by cash or without cash consideration (cashless exercise pursuant to the formula set out in the TSX Company Manual).
  - b) The exercise price of the warrants is \$0.2834, representing a 25% discount to the 5-day VWAP on April 28, 2022, the execution date of the Facility Agreement.
  - c) The term of the Warrants are 6 years from the closing of the Loan Transaction.  
If the Company share price reaches at least C\$0.50/share above exercise price for 5 consecutive trading
  - d) days (to be adjusted for customary anti-dilution provisions), Appian will be required to exercise (via cash or cashless exercise) within 5 business days, subject to Appian being legally permitted to exercise.
  - e) The form of Warrants certificate contains customary anti-dilution provisions.

The exercise price of the Warrants is less than the market price of the common shares at the date of the Facility Agreement and as such requires shareholders' approval pursuant to Section 607(i) of the TSX Company Manual.

The Company is relying on an exemption from holding a meeting of shareholders as its majority shareholder Tairui Mining Inc. ("Tairui"), which holds 56.55% of the total issued and outstanding common shares of the Company as of the date hereof, will provide a written consent, pursuant to Section 604(d) of the TSX Company Manual. Tairui is familiar with the terms of the Transaction and is in favour of it.

The Facility Agreement and other material documents of the Loan Transaction will be filed and available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company is also pleased to announce that further to its previously announced equity investment of C\$80,000,000 (the "Equity Transaction") by Vantage Chance Limited ("Vantage") in Western Potash Holdings Corp. ("WPHC"), a wholly owned subsidiary of the Company, Vantage has confirmed its receipt from Industry Canada that no national security notice has been sent and no notice will be forthcoming under Investment Canada Act. The Company expects the Equity Transaction will close in May 2022.

[Western Resources Corp.](#) Chairman and CEO, Mr. Bill Xue said, "I am proud of the breakthrough that the

Western team has made in signing the Loan Transaction with Appian. This funding, together with the C\$80 million equity investment, will provide a huge capital injection for Western and a solid foundation for the completion of the Project. I am grateful to the dedicated team members for their hard work and look forward to witnessing the revolutionary changes the Project will bring to potash mining in the Province of Saskatchewan."

Michael W. Scherb, Appian Founder and CEO, commented: "I am delighted to be supporting Western Resources in the development of the Project. This transaction demonstrates the continued success of Appian's dedicated credit and royalties offering, highlighting our ability to invest through the capital structure and provide non-dilutive financing for mining companies. The value that our market-leading technical team brings is also a key differentiator, with our expertise helping project owners to maximize potential and returns."

#### *About Appian Capital Advisory LLP*

Appian is a London-based leading investment advisor to long-term value-focused private equity funds that invest solely in mining and mining-related companies, with global experience across South America, North America, Australia and Africa and a successful track record of supporting companies to achieve their development targets. Appian has a global operating portfolio and a team of 54 experienced professionals with presences in London, Toronto, Vancouver, Lima, Belo Horizonte, Montreal and Sydney overseeing nearly 5,000 employees in the projects and the companies it invested.

#### *About Western Resources Corp.*

[Western Resources Corp.](#) and the Company's wholly owned subsidiary Western Potash Corp. are constructing one of Canada's newest and most innovative, environmentally friendly and capital-efficient potash mines. It is expected to be the first potash mine internationally to leave no salt tailings at the surface, thereby reducing the water consumption by approximately half as well as significantly improving energy efficiency. Successful completion of the Project will form the basis for further expansion.

#### ON BEHALF OF THE BOARD OF DIRECTORS

*Bill Xue*  
Chairman and CEO

#### *Cautions Regarding Forward-Looking Statements*

*Certain statements contained in this news release constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as "anticipate", "continue", "estimate", "expect", "expected", "intend", "may", "will", "project", "plan", "should", "believe" and similar expressions (including negative variations), or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Although management of 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 statements 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 that is set out herein, except in accordance with applicable securities laws.*

*For more information on the contents of this release please contact Simon Guo, Corporate Secretary, at 306-924-9378.*

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