

LEXI Announces Upcoming Shareholder Meeting to Approve Recapitalization Transactions

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Toronto, March 10, 2023 - Lithium Energi Inc. (TSXV: LEXI) (the "Company" or "LEXI") is pleased to announce that it has called its annual general and special shareholders' meeting on March 20, 2023 (the "Meeting") to, among other things, approve its recapitalization transactions with Arena Investors, LP ("Arena") and Triangle Lithium, LLC ("Triangle"), and the debt settlement arrangements with Steven C. Howard and Omar E. Ortega (collectively, the "Transactions") as previously disclosed by the Company in a press release dated February 1, 2023, and further detailed in the Company's management information circular prepared for the Meeting (the "Meeting Materials") filed on its SEDAR profile at www.sedar.com.

Benefits of the Transaction and Board Recommendation

In addition to those benefits detailed in the Meeting Materials, certain benefits of the Transactions to the Company's shareholders include:

- **Strengthened Balance Sheet:** The Transactions will strengthen the Company's balance sheet providing it with greater financial flexibility and opportunities as it will achieve a full and final settlement of all material outstanding indebtedness and litigation of the Company, including:
 - all amounts due and payable to Arena pursuant to the historical credit facility between the Company and Arena, and all associated litigation, shall be fully and finally settled and released;
 - indebtedness of approximately \$4.9 million, being all amounts previously due and payable to Mr. Howard (CEO and director of LEXI) and Mr. Ortega (VP Exploration of LEXI), and certain affiliates thereof, will be fully and finally settled and released, with approximately \$3.5 million of such amounts being purchased by Triangle in advance of the settlement as part of Triangle's strategic investment into the Company;
 - up to an additional \$500,000 in outstanding payables to be funded through a cash private placement by Triangle; and
 - a new \$15 million credit facility provided by Arena with an initial drawdown of \$7 million expected on closing of the Transactions.
- **Lack of Alternative Transactions:** The Company has been actively seeking a resolution to its working capital and indebtedness repayment requirements for several years, and has extensively canvassed the market for alternative investors that could address the Company's capital needs. It has also diligently explored other potential settlement paths with its creditors. The Company believes that the Transactions are the Company's best path forward, in terms of both providing new working capital and settling its overdue and outstanding indebtedness, including but not limited to those amounts subject to litigation with Arena and those amounts due and payable to each of Mr. Howard and Mr. Ortega and their affiliates.
- **Voluntary Lock-up:** Each of the parties to the Transactions, other than the Company, have agreed with each-other to an 18 month lock-up of all securities issued pursuant to the Transactions.
- **Priced with Reference to Market:** All common shares issued pursuant to the Transactions have a deemed price of \$0.1875, the loan bonus warrants issued under the terms of the new credit facility provided by Arena have an exercise price of \$0.24 and all other warrants to be issued pursuant to the Transactions have an exercise price of \$0.30, which is a 25% premium above the \$0.24 per share closing price on January 31, 2023, the last trading day prior to the announcement.
- **Lithium Processing Agreement:** As facilitated by Triangle, Ensorcia Argentina, LLC, a controlling shareholder of Triangle has agreed to provide LEXI with access to a direct lithium extraction technology developed and owned by [International Battery Metals Ltd.](#)

- **Refreshed Board and Amicable Management Turnover:** As part of the Transactions, LEXI's board of directors (the "Board") will be expanded to four directors on closing, with each of Ali Rahman, as a nominee of Triangle, and Daniel Blanks, as a nominee of Arena, bringing their expertise to the Company's board. As the new incoming CEO of the Company, Mr. Rahman will also bring to bear his wealth of knowledge of the lithium sector and Argentina based projects that he's cultivated as CEO of Triangle. Mr. Howard and Mr. Ortega will each resign from all positions with the Company and its subsidiaries on completion of the Transactions, and each receive an agreed severance payment as part of their departure from the Company, such that each individual will be departing from the Company after years of service on amicable terms and will enter into a mutual release with the Company to ensure a smooth transition to new management.

The full terms and conditions of the Transactions are detailed in the Company's press release dated February 1, 2023, the Meeting Materials and copies of the Transaction-related documents, each filed on its SEDAR profile at www.sedar.com.

The Board would like to thank Mr. Howard for the substantial time and effort he has dedicated to seeking resolutions for the Company's liquidity issues. Mr. Howard's personal knowledge of the lithium industry, complex transaction structuring, and the historical circumstances regarding the Company's litigation and indebtedness were essential in assisting the Company in progressing the currently proposed Transactions that will resolve the Company's litigation and indebtedness issues detailed in the Meeting Materials. The Company directly benefited from this knowledge, skills and experience through his continued service throughout the search for alternative transactions and negotiating the definitive documentation for the Transactions. Further, the Board would like to thank Mr. Hobbs whose financial expertise and acumen were similarly invaluable to the negotiations and direct involvement in the negotiations assisted the Company in reaching the currently proposed amicable resolutions with all parties.

The Board also acknowledges the pivotal role of Triangle in assisting with the mediation of a resolution between the Company and Arena throughout the last phases of the settlement process and looks forward to welcoming Triangle and its principals as new strategic investors into the Company. LEXI and Triangle have a history of successful collaboration going back to the creation of the Triangle Lithium Argentina, S.A exploration joint venture in October 2021. Definitive documents for the present Transactions could not have been settled without Triangle's dedication to the negotiations and personal purchase (and corresponding equity conversion) of the Company's outstanding indebtedness that was due and payable to certain affiliates of Mr. Howard and Mr. Ortega. As a result of Triangle's commitments and constructive working relationship with Arena, the Company will emerge after the Transactions with a clean balance sheet.

As disclosed in the Meeting Materials, each of Mr. Howard, Mr. Ortega and Mr. Hobbs (CFO and director of LEXI) were named as co-defendants in certain of the litigation claims brought by Arena, which will be released upon closing of the Transactions. The Board considered the interest of such directors and officers in the Transactions, but does not believe that the release of such claims impacted the ability of such directors and officers to assist with and lead the negotiation or settlement of the Transactions. In addition, the Board considered the interests of Messrs. Howard and Ortega's direct and indirect interests in the Transactions and transactions connected thereto, and the Board considered that ultimately settling the debt owed to them and their affiliates was important to the Company as this was an important condition of the Transactions with Arena as disclosed in the Meeting Materials and as these transactions assist in clearing out all material and unfunded due and payable debt obligations of the Company. With respect to the severance fees detailed in the Meeting Materials, the Board believes that these are reasonable and appropriate as each of Mr. Howard and Mr. Ortega have held their posts since 2017, are leaving the Company on amicable terms and providing a release as to any claims they may have had in the event of a deemed termination after years of service. With respect to the success fees detailed in the Meeting Materials, the Board similarly considered the roles played by each of Triangle and Mr. Howard in reaching these settlement terms, and thus it proper and in the Company's interest to remunerate Triangle and Mr. Howard for the successful conclusion of the settlement that has been agreed.

The Board, excluding Mr. Howard, believes that the Transactions, including the settlements of all debt, the payments of the severance amounts and the payments of the success fees, are desirable and fair to the Company. Further, the Board, excluding Mr. Howard, believes that the terms and conditions of the Transactions, including the deemed price per common share and the exercise prices for the applicable warrants, are fair and in the best interests of shareholders given the benefits that the Company will receive as a result, including those highlighted above.

Closing Update and Conditions

Subject to obtaining the required approvals and satisfying all required conditions, including the final acceptance of the TSX Venture Exchange and approval of the Company's shareholders as detailed in the Meeting Materials and below, the Transactions are expected to close on or about March 20, 2023.

The consummation of the Transactions is subject to conditions customary for transactions of this nature, including, among others: (i) the approval of a simple majority of the votes cast by shareholders of the Company excluding any shares owned or controlled, directly or indirectly, by Arena, Triangle, Howard and Ortega, pursuant to the rules of the TSX Venture Exchange and section 8.1 of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") at the Meeting ("Minority Approval"); and (ii) final approval of the TSX Venture Exchange.

Accordingly, pursuant to MI 61-101 and the rules of the TSX Venture Exchange, 64,500 common shares held by Arena, 8,480,000 common shares held directly or indirectly by Mr. Howard, and 5,300,000 common shares held directly or indirectly by Mr. Ortega will be excluded for the purposes of determining whether Minority Approval has been obtained for each of the resolutions being put forth at the Meeting in relation to the Transactions. Mr. Hobbs does not hold any common shares.

The Transactions are exempt from the formal valuation requirements of MI 61-101 as none of the Company's securities are listed on a market set out in section 5.5(b) of 61-101.

For further details with respect to the Transactions, see LEXI's news release dated February 1, 2023, the materials for the Meeting, and copies of the Transaction-related documents, copies of which are available under LEXI's profile at www.sedar.com.

About Arena Investors, LP. Arena Investors, LP is an institutional asset manager founded in partnership with The Westaim Corporation (TSXV: WED). With approximately \$3.5 billion of invested and committed assets under management as of December 31, 2022, and a team of over 100 employees in offices globally, Arena provides creative solutions for those seeking capital in special situations. The firm has individuals with decades of experience, a track record of comfort with complexity, the ability to deliver within time constraints, and the flexibility to engage in transactions that cannot be addressed by banks and other conventional financial institutions. See www.arenaco.com for more information.

About Triangle Lithium, LLC. Triangle Lithium, LLC is a Delaware limited liability company formed by Sorcia Minerals, LLC, a wholly-owned subsidiary of Ensorcia, and by an affiliate of Global Oil Management Group, LLC, a resource development holding company controlled by Harry Sargeant, III, a billionaire investor focused principally in the diversified energy and shipping industries, which operates an expansive, multibillion-dollar conglomerate of private global enterprises consisting of aviation companies, oil refineries, oil trading operations, alternative fuels development, alternative energy development, and oil and asphalt shipping.

About Ensorcia Argentina, LLC. Ensorcia Argentina, LLC is a Delaware limited liability company founded as a subsidiary of Ensorcia. Ensorcia is a private corporation formed to acquire, license, and develop proprietary technologies for the metals industry. Ensorcia is the largest shareholder of IBAT, has partnered with Dr. John Burba to develop IBAT's technologies, and holds an exclusive license to implement the IBAT technologies in certain countries in Latin America.

About Lithium Energi Inc. Lithium Energi Inc. is an exploration company focused on acquisition, exploration, and development of lithium brine assets in Argentina. Headquartered in Toronto, Ontario with offices in Dallas, Texas and Catamarca, Argentina, the Company's shares are listed on the TSX Venture Exchange (TSXV: LEXI) and the Frankfurt Exchange (FSE: LO9). LEXI's portfolio of prospective lithium brine concessions in the Argentina Province of Catamarca (heart of the lithium Triangle) includes approximately 57,000 hectares and a 20% interest in Triangle Lithium Argentina, S.A., which owns an additional 15,000 hectares - all located in and around the Antofalla Salar, one of the largest basins in the region, which is over 130 km long and up to 20 km across. Albemarle Corporation, the world's largest lithium producer, owns exclusive exploration and acquisition rights to large claim blocks located throughout the Antofalla Salar. With prospective lithium properties located just west of Livent's producing properties and offset to the north and south of Albemarle's concessions, LEXI believes that its claim package holds the potential to deliver impressive values to its shareholders, if the economic viability and technical feasibility of the properties are

established and developed.

For more information about Lithium Energi Inc., please view the Company's filings at www.SEDAR.com.

ON BEHALF OF THE BOARD OF DIRECTORS

"Chris Hobbs"

Chris Hobbs,
Chief Financial Officer and Director

FOR FURTHER INFORMATION PLEASE CONTACT:

Lithium Energi Inc.
Tel: 416 276-6689
Email: chris.hobbs@lithiumenergi.com

Arena Investors, LP
Lindsay Jablonski
Email: ljablonski@prosek.com

Parag Shah
Email: ir@arenaco.com

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These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: the absence of material changes with respect to the Company and its businesses; conclusions of future economic evaluations; fluctuations in general macroeconomic conditions; fluctuations in securities markets; fluctuations in spot and forward prices of commodities; fluctuations in currency markets (such as the Canadian dollar to United States dollar exchange rate); change in national and local government, legislation, taxation, controls, regulations and political or economic developments; failure to close the Transactions contemplated by the terms of the definitive documentation with Arena or Triangle, or the other applicable parties; failure to close the Transactions, or any one of them, on the terms set out herein or at all; the use of proceeds; and receipt of all requisite approvals to the Transactions. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure its shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended.

Readers should not place undue reliance on the forward-looking statements and information contained in

this news release. Except as required by law, the Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

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