

Royal Helium Ltd. Closes \$7.3 Million Private Placement of Convertible Debenture Units

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SASKATOON, June 12, 2023 - [Royal Helium Ltd.](#) (TSXV: RHC) (OTCQB: RHCCF) ("Royal" or the "Company") is pleased to announce the closing of its previously announced "bought deal" private placement of 7,300 non-transferable unsecured convertible debenture units of the Company (the "Debenture Units"), at an issue price of \$1000 per unit for aggregate gross proceeds of \$7,300,000 (the "Offering"). The Offering was increased from the previously announced \$7,000,000 as a result of excess demand. The Offering was conducted pursuant to the terms and conditions of an underwriting agreement (the "Underwriting Agreement") among the Company, Eight Capital (the "Lead Underwriter"), Research Capital Corporation and Cormark Securities Inc. (together with the Lead Underwriter, the "Underwriters").

Andrew Davidson, President & CEO states, "We are pleased to have this financing completed and report that management and the board participated for over 10% of this Offering, showing our commitment and alignment with all stakeholders of Royal. The net proceeds of this raise are being used for ancillary midstream equipment and services related to the commissioning of the Steveville helium processing facility that are outside the scope of the project financing already in place for the facility. Proceeds will also allow the Company to reinitiate exploration activities over other projects in Saskatchewan and Alberta."

Each Debenture Unit consists of one 12% unsecured convertible debenture in the principal amount of \$1,000 (a "Convertible Debenture") with a maturity date of June 30, 2025 (the "Maturity Date") and 2,703 common share purchase warrants (each, a "Warrant"). Each Warrant shall entitle the holder thereof to purchase one common share (a "Share") of the Company (a "Warrant Share"), at an exercise price of \$0.40 per Warrant Share for a period of 36 months.

The Convertible Debentures will be convertible at the holder's option into Shares at any time prior to the close of business on the earlier of the business day immediately preceding the Maturity Date and the date fixed for redemption of the Convertible Debentures at a conversion price of \$0.37 per Share (the "Conversion Price").

Interest on the Convertible Debentures will accrue commencing on June 12, 2023, (the "Closing Date") at a rate of 12% per annum and shall be payable semi-annually in arrears, beginning on December 31, 2023. At the Company's option, provided no event of default has occurred and is continuing and provided all applicable regulatory approvals have been obtained (including any required approval of any stock exchange on which the Shares are listed), interest may be paid in cash or paid-in-kind through the issuance of freely tradable Shares. The number of Shares to be issued in satisfaction of the Company's interest obligation shall be calculated based on the VWAP of the Shares for the two trading days immediately prior to, and the two trading days immediately following the notice from the Company that it has elected to satisfy its interest obligations in Shares.

The gross proceeds from the sale of the Debenture Units, less the expenses related to the Offering (the "Proceeds") were paid by the Underwriters to the Company on the Closing Date in accordance with the terms of the Underwriting Agreement. The Company paid the Underwriters a cash fee equal to 6.0% of the gross proceeds of the Offering (other than in respect of certain subscribers on the President's List for which no commission was paid).

The net proceeds of the Offering will be used to fund capital expenditures related to the Company's Steveville production facilities and for general corporate purposes.

The Convertible Debentures and the Warrants comprising the Debenture Units will not be listed on any stock exchange, though the Company has received the conditional approval of the TSX Venture Exchange (the "TSXV") to list the Shares issuable upon conversion of the Convertible Debentures and exercise of the

Warrants on the TSXV.

The Convertible Debentures and the Warrants comprising the Debenture Units (and any Shares issuable upon conversion or exercise thereof, as applicable) are subject to a four-month and one day statutory hold period under applicable Canadian securities laws, ending October 13, 2023.

About Royal Helium Ltd.

Royal controls over 1,000,000 acres of prospective helium land across southern Saskatchewan and southeastern Alberta. All of Royal's lands are in close vicinity to highways, roads, cities and importantly, close to existing oil and gas infrastructure, with a significant portion of its land in close proximity to existing helium producing locations. With stable, rising prices and limited, non-renewable sources for helium worldwide, Royal intends to become a leading North American producer of this high value commodity. Royal's helium reservoirs are carried primarily with nitrogen. Nitrogen is not considered a greenhouse gas ("GHG") and therefore has a low GHG footprint when compared to other jurisdictions that rely on large scale natural gas production for helium extraction. Helium extracted from wells in Saskatchewan and Alberta can be up to 99% less carbon intensive than helium extraction processes in other jurisdictions.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

This news release includes certain statements that may be deemed to be "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that management of the Company expects, are forward-looking statements, including, the Company's intended use of the net proceeds of the Offering. Although management believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, and actual results or developments may differ materially from those in the forward-looking statements. The Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Factors that could cause actual results to differ materially from those in forward-looking statements, include market prices, exchange rates, interest rates, inflation, economic conditions, and general business conditions. Please see the public filings of the Company at www.sedar.com for further information.

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