

# Electric Metals (USA) Limited Announces First Tranche Closing of Quail Bend Financing and Updates Warrant Exercises

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Toronto, August 29, 2023 - [Electric Metals \(USA\) Ltd.](#) (TSXV: EML) (OTCQB: NVDSF) ("EML" or the "Company"), further to its press release of August 22, 2023 is pleased to announce it has closed the first tranche (the "First Tranche") of its previously announced non-brokered financing (the "Offering"). Pursuant to the first tranche closing, the Company issued a total of 1,702,128 units (the "Units") at a price of \$0.235 per Unit for gross proceeds of \$400,000.08. Each Unit consisted of one common share in the capital of the Company (each, a "Common Share") and one share purchase warrant (each, a "Warrant") with each Warrant exercisable to acquire one additional Common Share at an exercise price of \$0.35 for a period of 24 months from the date of issuance of the warrant.

The First Tranche closing was completed in connection with a binding letter of intent between the Company and Quail Bend LLC ("Quail Bend") dated May 12, 2023 as amended August 21, 2023 (the "LOI") pursuant to which Quail Bend, or an affiliate thereof, agreed to acquire up to 21,276,596 Units. Following an initial closing of 5,319,149 Units, the Company and Quail Bend have now completed the purchase and sale of an aggregate of 7,021,277 Units for aggregate gross proceeds to date of \$1,650,000.10. Please see the press release of the Company dated June 19, 2023 for more information regarding the initial closing.

The Company and Quail Bend anticipate a further closing of 14,255,319 Units for gross proceeds of \$3,349,999.97 (the "Second Tranche"), to be completed within five days of the receipt of shareholder approval. On closing of the Second Tranche, Quail Bend will become a "Control Person" within the meaning of such term under applicable TSX Venture Exchange ("TSXV") policies. The Company has called a meeting of shareholders to be held on October 5, 2023 to consider a resolution approving the creation of Quail Bend and or its SPV as a new Control Person of the Company. Please see the press release of the Company dated August 22, 2023 for further information. There can be no assurances that the closing of the Second Tranche will occur, either on the terms outlined or at all.

A minimum of 80.0% of the funds raised from proceeds of the Offering from Quail Bend will be used on further exploration and development of the Company's Emily Manganese Project in Minnesota, USA including continued drilling, battery test work and process design and preliminary mine studies. The Offering is subject to the receipt of all required shareholder, regulatory and TSXV approvals.

The summary of the LOI in this press release is qualified in its entirety by the full text of the LOI, as amended, which can be accessed on [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) under the Company's profile. Please refer to the LOI for more information in respect of the Offering.

The securities issued in connection with the first tranche of the Offering are subject to certain hold periods and/or such other further restrictions as may apply under foreign securities laws.

## Warrant Exercise

Further to its press release of July 24, 2023, EML is pleased to announce that 17,552,500 common share purchase warrants (the "Warrants") out of a total of 21,212,000, or approximately 82.75%, have been exercised for gross proceeds of \$4,388,125. The Warrants were issued pursuant to a warrant indenture between the Company and TSX Trust Company dated January 5, 2023 (the "Indenture") in connection with a financing of the Company which closed on that date. Pursuant to the terms of the Indenture, the Company elected to accelerate the expiry date of the Warrants to August 24, 2023 (the "Accelerated Expiry Date") from the original expiry date of January 5, 2025. [The Company intends to use the proceeds of the Warrant exercise in the development of its mineral properties and for working capital purposes.] EML is grateful for,

and appreciates, the support of its shareholders during this capital intensive period in the development of the Company.

The Warrants that were not exercised by 5:00 p.m. (Toronto time) on the Accelerated Expiry Date were automatically cancelled and are of no further force or effect.

This press release is not an offer of securities for sale in the United States. The securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended, or an exemption from such registration. The Company has not registered and will not register the securities under the U.S. Securities Act of 1933, as amended. The Company does not intend to engage in a public offering of its securities in the United States.

#### Early Warning

Green Mineral Investors LLC ("GMI"), together with its sole manager Mr. Steve Durbin, each of 336 Loring Ave., Los Angeles, California 90024 United States, report that on August 28, 2023, further to a binding letter of intent between [Electric Metals \(USA\) Ltd.](#) ("EML") and Quail Bend LLC dated May 12, 2023, a copy of which is available under EML's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), GMI acquired 1,702,128 units of EML ("Units") at a price per Unit of C\$0.235 for an aggregate purchase price of C\$400,000.08 pursuant to a private placement of EML (the "Closing"). The acquired Units comprise of an aggregate of 1,702,128 common shares ("Shares") and 1,702,128 Share purchase warrants ("Warrants") of EML. Each Warrant is exercisable to acquire one additional Share at an exercise price of C\$0.35 for a period of 24 months from issuance. The acquisition of the Shares and Warrants did not take place across the facilities of any market.

Immediately prior to the Closing, (i) Steve Durbin, sole manager of GMI, held 2,311,000 Shares representing approximately 1.80% of the then-issued and outstanding Shares on a non-diluted basis prior to the Closing and no other securities of EML, and (ii) GMI held 5,319,149 Shares representing approximately 4.14% (approximately 5.93% cumulatively with Steve Durbin) of the then-issued and outstanding Shares on a non-diluted basis prior to the Closing, 5,319,149 Warrants representing approximately 24.25% of the then-issued and outstanding Warrants prior to the Closing (7.94% on a post-conversion basis assuming only the exercise of the Warrants then held by GMI; 9.67% on a post-conversion basis assuming only the exercise of the Warrants held by GMI and aggregated with the Share holdings of Mr. Steve Durbin) and no other securities of EML.

Immediately following the Closing, (i) Steve Durbin, sole manager of GMI, held 2,311,000 Shares representing approximately 1.77% of the issued and outstanding Shares on a non-diluted basis immediately following the Closing and no other securities of EML, and (ii) GMI held 7,021,277 Shares representing approximately 5.39% (approximately 7.16% cumulatively with Steve Durbin) of the issued and outstanding Shares on a non-diluted basis immediately following the Closing, 7,021,277 Warrants representing approximately 29.70% of the issued and outstanding Warrants immediately following the Closing (10.23% on a post-conversion basis assuming only the exercise of the Warrants held by GMI; 11.91% on a post-conversion basis assuming only the exercise of the Warrants held by GMI and aggregated with the Share holdings of Mr. Steve Durbin) and no other securities of EML.

As a result of the Closing, the securityholding percentage of GMI increased by approximately 1.25% in respect of the Shares and 5.45% in respect of the Warrants.

GMI has acquired the Shares and Warrants for investment purposes. GMI may in the future take such actions in respect of its holdings in EML as GMI may deem appropriate in light of the circumstances then existing, including the purchase of additional securities of EML through open market purchases or privately negotiated transactions or the sale of all or a portion of GMI's holdings in the open market or in privately negotiated transactions to one or more purchasers, subject in each case to applicable securities law.

A copy of the early warning report to which this news release relates can be obtained from Steve Durbin at (917) 622-5200 or on EML's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

About Electric Metals (USA) Limited

[Electric Metals \(USA\) Ltd.](#) (TSXV: EML) (OTCQB: EMUSF) is a U.S.-based mineral development company with manganese and silver projects geared to supporting the transition to clean energy. The Company's principal asset is the Emily Manganese Project in Minnesota, which has been the subject of considerable technical studies, including a National Instrument 43-101 Technical Report - Resource Estimate, with over US\$26 million invested to date. The Company's mission in Minnesota is to become a domestic U.S. producer of high purity, high-value manganese metal and chemical products for supply to U.S. energy, technology and industrial markets. With manganese playing a critical and prominent role in lithium-ion battery formulations, and with no current domestic supply or active mines for manganese in North America, the development of the Emily Manganese Project represents a significant opportunity for America, the State of Minnesota and for the Company's shareholders. In addition, the Company owns and operates the Corcoran Silver-Gold Project and the Belmont Silver Project in Nevada, with the former also having been the subject of a National Instrument 43-101 Technical Report - Resource Estimate.

For further information, please contact:

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#### Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward-looking information is generally identifiable by use of the words "believes," "may," "plans," "will," "anticipates," "intends," "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions.

Forward-looking statements in this news release include, but are not limited to, statements with respect to the use of proceeds of the First Tranche closing as well as the Warrant expiry date acceleration. These statements address future events and conditions and so involve inherent risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such risks include, but are not limited to, the failure to obtain all necessary stock exchange and regulatory approvals. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances at the date such statements are made. Although 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. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events, or developments, except as required by law.

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