



RIO VERDE INDUSTRIES TO COMPLETE CONVERTIBLE DEBENTURE FINANCING

TORONTO, ONTARIO, CANADA, March 4, 2022 /EINPresswire.com/ -- NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Rio Verde Industries Inc. ("Rio Verde" or the "Company") is pleased to announce that it intends to complete a non-brokered private placement (the "Offering") under which it intends to sell \$440,000 aggregate principal amount of convertible debenture units ("Units") for an aggregate purchase price of \$330,000 (representing an original issue discount equal to 25% of the purchase price). The Offering will be comprised of an aggregate of \$440,000 principal amount of non-interest bearing unsecured convertible debentures that will mature one year from issuance (the "Debentures") and an aggregate of 14,012,739 common share purchase warrants (each, a "Warrant").

Subject to the terms and conditions of the certificate representing the Debentures, the principal amount of the Debentures will be convertible, at the option of the holders thereof, into common shares of the Company ("Common Shares") at a conversion price of \$0.0314, at any time while any portion of the principal amount of the Debenture is outstanding, subject to adjustment as provided in the corresponding Debenture certificates. The Debenture certificates permitted the Company to, at any time following the date on which the Company obtained conditional approval for the listing of the Common Shares for trading on any recognized stock exchange ("Conditional Approval"), to, without penalty or bonus, upon written notice to the holders of the Debentures, to repay or cause the holders of the Debentures to convert all or part of the then outstanding principal amount of the Debentures.

Subject to the terms and conditions of the certificate representing the Warrants, each Warrant will be exercisable by the holder thereof to acquire one (1) Common Share (a "Warrant Share") at an exercise price of \$0.0314 per Warrant Share for a period of one year from issuance, subject to adjustment as provided in the corresponding Warrant certificates. The Warrant certificates permitted the Company to, at any time following Conditional Approval, to, without penalty or bonus, upon written notice to the holders of the Warrants, cause the holders of Warrants to exercise all or part of the Warrants on a cashless basis.

Concurrent with the closing of the Offering, the Company intends to grant 3,270,505 options to acquire Common Shares (the "1 Year Options"). The 1 Year Options will be exercisable into Common Shares at an exercise price of \$0.0314 per Common Share for a period of one (1) year

following the date of issuance subject to adjustment as provided in the corresponding 1 Year Option certificates. The 1 Year Option certificates, permitted the Company to, at any time following Conditional Approval, to, without penalty or bonus, upon written notice to the holders of the 1 Year Options, cause the holders of 1 Year Options to exercise all or part of the 1 Year Options on a cashless basis. In addition, the Company intends to grant 4,768,600 options to acquire Common Shares (the "2 Year Options"). The 2 Year Options will be exercisable into Common Shares at an exercise price of \$0.04194 per Common Share for a period of two (2) years following the date of issuance subject to adjustment as provided in the corresponding 2 Year Option certificates. The 2 Year Options will not have a mandatory exercise component nor a cashless exercise component. The 2 Year Options will only vest once the 1 Year Options have been exercised or expire. The Company expects to grant the 2 Year Options in March 2022 and does not intend to issue a press release on the grant date.

The Company expects to complete the Offering and the issuance of the Options to occur in the week of March 7, 2022 and does not intend to issue a press release on the closing date of the Offering.

The Offering constituted a "related party transaction" as defined in Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions ("MI 61-101"), as insiders of the Company acquired an aggregate of \$266,666.67 aggregate principal amount of Units. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(b) of MI 61-101, as the Company is not listed on a specified market and the fair market value of the securities being issued to insiders in connection with the Offering does not exceed \$2,500,000, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner. The Offering was approved by all independent directors of the Company.

On behalf of the Board of Directors

Binyomin Posen

Chief Executive Officer, Chief Financial Officer & Director

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No recognized securities exchange accepts responsibility for the adequacy of this news release, which has been prepared by management of Rio Verde.

Cautionary Note Regarding Forward-Looking Statements

This news release contains statements that constitute "forward-looking statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause Rio Verde's actual results, performance or achievements, or developments to

differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Forward-looking statements in this document include, among others, statements relating to expectations regarding the Conditional Approval (including all required approvals), the completion of the Offering on the terms and conditions outlined in this news release, or at all; and other statements that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others: (a) that there is no assurance that the Company will complete the Offering on the terms and conditions outlined in this news release, or at all; and (b) there is no assurance that the Conditional Approval will occur.

The forward-looking information contained in this news release represents the expectations of Rio Verde as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Rio Verde undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

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