

## **PetroSun Announces \$24.0 Million Recapitalization**

Press Release | 02/09/2022

- **Company Receives \$15.0 Million Equity Commitment**
- **Recapitalization Also Equitizes \$9.1 Million of Existing Debt & Accrued Interest**
- **Net Proceeds will Primarily Fund Lithium Projects and Helium Development**

**PHOENIX, AZ / ACCESSWIRE / February 9, 2022** / PetroSun, Inc. (OTC PINK:PSUD) (the "Company") announced today that it has completed a comprehensive recapitalization of the Company involving the execution of a \$15 million stock purchase agreement with a strategic investor and a debt conversion agreement, which was executed with certain strategic investors and lenders and immediately equitizes approximately 85% of the Company's long-term debt. The Company concurrently announced an upcoming lithium processing demonstration project and expected helium development activities via a separate news release.

The Stock Purchase Agreement ("SPA") underlying the \$15.0 million equity investment was executed with an existing investor and lender to the Company. The SPA provides for the purchase at closing of \$3.95 million in new common shares and for the immediate conversion of \$3.15 million in short-term convertible promissory notes, representing advances by such investor between November 22, 2021 and January 18, 2022, plus accrued interest. Proceeds from the convertible promissory notes were used primarily to fund payments relating to the Company's acquisition of lithium mining concessions in the Mexican state of Chihuahua. The SPA contemplates two additional tranches of equity purchases that will close during the next two quarters. When completed, the SPA will have generated \$15.0 million in gross proceeds to the Company, including approximately 28.6 million shares issued for \$7.2 million in proceeds from shares purchased at closing and the converted bridge loans. Post-closing tranches under the SPA will carry a share purchase price equal to the lesser of \$0.25 or a volume-weighted average trading price.

Proceeds from the SPA are earmarked to fund acquisition and development of the Company's lithium projects in Chihuahua, Mexico, to fund helium and natural gas drilling and development projects in the Holbrook Basin of Arizona and New Mexico and in the Golden Eagle Gas Field of Utah, and for other approved operating and G&A expenses of the Company.

Gordon LeBlanc, Jr., the Chairman and President of PetroSun, Inc., said, "This Stock Purchase Agreement represents a tremendous vote of confidence in the Company's core lithium and helium projects. The proceeds from the stock sale will finance the Company's continuing acquisition and development of its

mining concessions in northern Mexico, which we believe hold significant, economic quantities of lithium and other precious elements, in addition to zeolite clays for agricultural uses. The transaction will also fund near-term drilling and completion activity to develop helium production in the Holbrook Basin of Arizona and helium and natural gas production in the Golden Eagle Field of Utah."

In addition, concurrently with the stock purchase, the Company executed an agreement with various strategic investors and lenders that equitized approximately \$9.1 million of other existing debt and accrued interest, including 100% of existing loans from the SPA investor and its affiliates, in return for the issuance of 36.3 million shares.

Gordon LeBlanc, Jr. commented, "This equitization of existing debt is another key step in the Company's development of its existing projects. The equitized debt consisted entirely of loans from various existing investors in PetroSun. As such, the equitization reflects their continued confidence in the value of the Company's core projects. I remain very appreciative their continued commitment and support."

#### **ABOUT PETROSUN, INC.**

PetroSun, Inc. owns and operates significant projects in helium production and lithium mining, in addition to owning and licensing patented technologies applicable to mineral extraction, water purification, electric bicycle-based vehicles and agriculture. The Company holds mineral leases that are prospective for helium on over 282,000 gross acres in the Holbrook Basin of Arizona and approximately 26,800 gross acres in the Paradox Basin of Utah. The Company is also acquiring up to six contiguous mining concessions in northern Mexico that are prospective for lithium and other rare metals suspended in zeolite clays. The Company trades on the OTC Pink Sheets under the symbol "PSUD".

#### Forward-Looking Statements Disclaimer:

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended. In some cases, you can identify forward-looking statements by the following words: "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "ongoing", "plan", "potential", "predict", "project", "should", "will", "would", or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. Forward-looking statements are not a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time the

statements are made and involve known and unknown risks, uncertainty and other factors that may cause our results, levels of activity, performance or achievements to be materially different from the information expressed or implied by the forward-looking statements in this press release. This press release should be considered in light of all filings of the Company that are disclosed on the OTCMarket.com website.

**Contact:**

PetroSun, Inc.  
2999 North 44th Street, Suite 620  
Phoenix, Arizona 85018  
480-425-4290  
Website: [www.petrosun.us](http://www.petrosun.us)

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