El Nino closes financing and issues warning report

El Nino Ventures {TSX.V: ELN} confirmed they had closed a private placement raising $453,955 by issuing circa 23 million new shares.

CEO HArry BArr participted in the financing.

EL NINO CLOSES PRIVATE PLACEMENT AND ISSUES EARLY WARNING REPORT

El Nino Ventures Inc. has closed its non-brokered private placement raising gross proceeds of $453,955.

The company issued 22,697,750 units at a price of two cents per unit, pursuant to a discretionary waiver obtained from the TSX Venture Exchange on April 21, 2016, from the five-cent-per-share minimum pricing requirements. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the company at a price of five cents per share for a period of 24 months from closing.

Harry Barr, chairman, chief executive officer and a director of the company, purchased 10.5 million units from the company at a price of two cents per unit, pursuant to the private placement.

Prior to the closing of the private placement, Mr. Barr held directly and indirectly 6,366,854 shares and 550,000 options to purchase an additional 550,000 common shares of the company, representing approximately 18.36 per cent of the company's issued and outstanding shares on a post conversion beneficial ownership basis.

As a result of Mr. Barr's acquisition pursuant to the private placement, Mr. Barr now holds 16,866,854 common shares, and 11.05 million warrants and options of the company, representing approximately 39.37 per cent of the company's current issued and outstanding shares of the company on a post conversion beneficial ownership basis.

Finders' fees totalling 35,000 shares, 77,000 broker warrants and $840 cash were paid in connection with the private placement.

The shares and warrants issued with respect to the private placement are subject to a four-month-and-one-day hold period expiring on Oct. 21, 2016, in accordance with securities laws. The shares issued are also subject to voluntary pooling restrictions. Completion of the private placement and any finders' fees payable are subject to regulatory approvals.

Proceeds from the private placement in the amount of up to $279,000 will be used for further exploration and development on the company's Murry Brook polymetallic project in New Brunswick. Up to $66,000 will be used to settle related-party debt and up to $108,955 will be used for general working capital.

Further to the company's news release dated April 21, 2016, the company plans to complete phase 2 of its debt restructure. More specifically, the company has agreed to settle its debt obligations to existing creditors (50 cents on the $1) in the amount of up to $80,054 by issuing up to 1,601,080 common shares at five cents per share. After completion of the shares-for-debt transaction, the company will have settled all outstanding debts.