

# Silk Energy Announces Updates on Private Placement and Annual and Special Meeting

Toronto, Ontario--(Newsfile Corp. - January 22, 2021) - **Silk Energy Limited** (the "**Company**") is pleased to announce that it has closed a \$264,000 private placement as well as a \$390,000 private placement (the "Offerings"). The Offerings closed from the issuance of 1,760,000 units and 2,600,000 units (the "Units") respectively, at the price of \$0.15 per Unit. Each Unit consists of one common share and one-half (1/2) of a common share purchase warrant (a "Warrant"). Each whole Warrant is exercisable to acquire one common share at a price of \$0.21 for a period of eighteen months from the date of issue. Net proceeds of the Offerings will be used for general corporate and working capital purposes.

The Company is also pleased to announce the results of voting at its annual and special meeting of shareholders which was held on January 21, 2021 (the "Meeting"). All matters submitted to the shareholders for approval as set out in the Company's Notice of Meeting and Information Circular, dated December 31, 2020, were approved by an overwhelming majority of votes.

## NUMBER OF DIRECTORS

Shareholders approved the setting of the number of directors at six.

## ELECTION OF DIRECTORS

The shareholders elected the following directors: Steve Kappella, Yerkin Svanbayev, Aigerim Svanbayeva, Bryan Emslie, Alan Roberts, Rashit Makhat.

## APPROVAL OF SPECIAL RESOLUTION AUTHORIZING THE BOARD TO FIX THE NUMBER OF DIRECTORS

The shareholders have passed a special resolution authorizing the board to determine the number of directors on the Board from time to time within the minimum and maximum number set in the articles of the Company, by resolution of directors, subject to the limits set out in the OBCA.

## APPOINTMENT OF AUDITORS

Davidson & Co LLP, Chartered Professional Accountants were reappointed as Auditors of the Company for the ensuing year with their remuneration to be fixed by the Board of Directors.

## AMENDMENT OF COMPANY ARTICLES

The shareholders have approved the authorization of a new class of preferred shares (the "Class A Preferred Shares"), allowing the Company to restructure its debt with its largest creditor, Right Way, which would remove a significant amount of debt from Company's balance sheet.

## RATIFICATION OF NEW BYLAWS

By-law No. 2 is to fully replace By-Law No 1 and it now includes the ability for the Company to hold virtual shareholder meetings, it sets the quorum for the number of directors at meetings and includes a provision to provide advance notice for the nomination of new directors to the Board.

## EMPLOYEE STOCK OPTION PLAN

The Shareholders have approved:

- a. Amendment of the stock option plan of the Company;
- b. An increase of the maximum limit on common shares issuable pursuant to the Stock Option Plan from the equivalent of 10% to 15% of the issued and outstanding Company's Shares.
- c. Extension of the maximum allowable term of options granted under the Stock Option Plan from 5 years to 10 years.
- d. Replacement of the following text from the Stock Option Plan:

*"Options must be exercised within 90 days of termination of employment or cessation of position with Silk, provided that if the cessation of office, directorship, consulting Amalgamation or employment was by reason of death or disability, the option must be exercised within one year, subject to the expiry date";*

with:

*"Options must be exercised within 90 days of termination of employment by the Company for Cause, Breach of Fiduciary Duty, Breach of Employment contract. If the cessation of office, directorship, consulting Amalgamation or employment was by reason of death or disability, including personal or family health related conditions the option must be exercised within one year, subject to the expiry date. At any time, the Board can grant exceptions to or extensions to these time periods."*

For further information, please contact Steve Kappella, Chief Executive Officer of the Company, at [info@silk-energy.com](mailto:info@silk-energy.com) (<mailto:info@silk-energy.com>) or at 647-777-8375.

*The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*



**Silk energy**

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