



[Xtract Resources plc](#) - XTR

## Circular, GM and Change of Registered Office

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For immediate release  
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### **Xtract Resources Plc**

Circular to shareholders  
Notice of General Meeting  
Change of Registered Office

The Company announces that it has posted a circular to Shareholders convening a general meeting at 12.00 noon on 30 December 2016 at the offices of Fladgate LLP at 16 Great Queen Street, London WC2B 5DG to give the Directors authority to issue Ordinary Shares for cash as described further below. The circular will also be available on the Company's website [www.xtractresources.com](http://www.xtractresources.com)

#### **1. Background to and reasons for the General Meeting**

As previously reported in November, the Company entered into a subscription agreement with YA II EQ, Ltd. (the "Investor") for a subscription for new ordinary shares in the Company for £980,000 in cash. In addition, the Company entered into an equity swap agreement with the Investor for a payment by the Company of £870,000, which entitles the Company to twelve monthly settlement payments of £72,500, subject to an agreed adjustment. The proceeds of the subscription (net of expenses and the swap payment), together with monthly proceeds pursuant to the equity swap agreement enables the Company to remain funded for its short and mid-term progress.

The focus of the Company is now solely on its project at Manica (which the Board intends to develop solely on an open pit basis). The definitive feasibility study is in preparation and as and when complete, will enable the Company to move the Manica project forward to its next step of development. As the Company moves forward to ensure Manica's value is fully released, and in order to provide the Company with the flexibility to take advantage of favourable market conditions at short notice and as required raise further funds for the development of Manica, as well as possibly taking advantage of other opportunities currently being discussed internally and finance working capital, the Board wishes to have the ability to raise further equity finance as and when required.

In order to issue shares a company needs authority to do so under the Companies Act. The Directors were given authority at the 2016 AGM to issue Ordinary Shares under the Companies Act and have used that authority since the 2016 AGM to issue Ordinary Shares for cash. However, at the prevailing share price of Ordinary Shares, the Directors do not believe that the Company has the necessary authority to raise an amount that the Directors consider to be an appropriate. The Directors therefore are convening the General Meeting to obtain further authority from Shareholders to issue Ordinary Shares.

## 2. General Meeting

The General Meeting will be held at 12.00 noon on 30 December 2016 at the offices of Fladgate LLP at 16 Great Queen Street, London WC2B 5DG. The Notice is set out at the end of this document.

The Resolutions to be proposed at the General Meeting are:

- as Resolution 1, an ordinary resolution granting authority to the Directors to issue up to 9,143,864,272 Ordinary Shares (representing approximately 50% of the issued share capital of the Company as at the last practicable date prior to the date of this announcement); and
- as Resolution 2, a special resolution to disapply the Statutory Pre-Emption Rights which (in addition to disapplying Statutory Pre-Emption Rights for pre-emptive issues and for options), will also disapply the Statutory Pre-Emption Rights in respect of the issue of up to 9,143,864,272 Ordinary Shares for cash.

## 3. Recommendation

The Board considers that the Resolutions to be proposed at the General Meeting are in the best interests of Shareholders as a whole and unanimously recommends that Shareholders vote in favour of the Resolutions, as the Directors intend to do in respect of their own beneficial shareholdings, which amount in aggregate to 97,706,897 Ordinary Shares, representing approximately 0.53 percent. of the issued share capital of the Company (as at 12 December 2016, being the last practicable business day before the date of this announcement).

If the Resolutions are not passed, the Company may be unable to realise the underlying value of the Manica asset, which is considered by the Board to be a major potential gold asset, in the medium term.

## 4. Change of registered office

Shareholders should note that with effect from 15 December 2016 the business address and registered office of the Company will change to 1st Floor, 7/8 Kendrick Mews, London SW7 3HG.

This announcement contains inside information for the purposes of Article 7 of EU Regulation No. 596/2014 on market abuse.

### Enquiries:

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### Definitions

In this announcement the following expressions have the following meanings unless the context otherwise requires:

"Act" or "Companies Act"	the Companies Act 2006 (as amended from time to time);
"2016 AGM"	the annual general meeting of the Company held on 30 June 2016;
"Board" or "Directors"	the directors of the Company;
"Company" or "Xtract"	Xtract Resources PLC;
"Circular"	the circular to shareholders containing the Notice;
"General Meeting"	the general meeting of Xtract to be held at 12.00 noon on 30 December 2016, or any adjournment thereof;
"Group"	the Company and its subsidiaries;
"Notice"	the notice of the General Meeting, which is set out at the end of the Circular;
"Ordinary Shares"	ordinary shares of 0.01 pence each in the capital of the Company;
"Resolutions"	the resolutions to be proposed at the General Meeting, as set out in the Notice;
"Shareholders"	holders of Ordinary Shares;
"Statutory Pre-Emption Rights"	the statutory pre-emption rights contained in section 561 of the Companies Act.

This information is provided by RNS

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