



[Xtract Resources plc](#) - XTR

Equity Placing and Corporate Update

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**Xtract Resources Plc
("Xtract" or the "Company")
Equity Placing
Corporate Update
Total Voting Rights**

Placing

The Board of Xtract Resources Plc ("**Xtract**" or the "**Company**") announces that the Company's Broker, Beaufort Securities, has today conditionally raised £1,700,000 (before expenses) following the placement of 59,649,140 new Ordinary Shares of 0.02p each ("**Ordinary Shares**") at 2.85p ("**Placing Price**") per new Ordinary Share (the "**Placing**"). The new Ordinary Shares represent 20.50% of the current issued ordinary share capital of the Company. The Placing Price is at a discount of approximately 8.5% compared to the 5 day volume weighted average price of 3.12p for the period ended 13 November 2017. In completing the Placing the Board has utilised the waiver of pre-emption rights provided by shareholders at the last Annual General Meeting.

The net proceeds from the Placing (amounting to £1,530,000 after direct expenses) will be utilised by the Company to pay off outstanding debt of £530,000 and to take advantage of commercial opportunities offered in the Manica area and elsewhere.

Background to the Placing

The Board stated earlier this year that it is acutely aware of the impact of dilution on shareholders and will make every effort to limit future dilution and, in the event that it is practicable and cost effective to do so, give full consideration to ways in which shareholders can participate in any future fund raisings. The Company had considered whether it would be feasible to offer shares on similar terms to shareholders by means of a pre-emptive issue, but understands that the placing funds would not have been available on the terms offered and in the timescale envisaged if combined with a pre-emptive offering. The Board fully considered the offer of funding and has taken into account the uses to which the funds being raised could be put and whether in its view there are sufficient commercial advantages for the development of shareholder value to taking the funding now. The Board further considered the terms and quantum of the funding offered, which was initially in excess of £1.8 million. Given that pre-emption could not be combined with the Placing, the Board has reduced the impact of dilution by reducing the Placing to £1.7 million and the Placing Price discount is 8.5% compared to the 5 day volume weighted average price of 3.12p. On balance therefore, the Board has concluded that it would be in the best interests of the Company and its shareholders to proceed with the Placing with Beaufort without a pre-emptive offering at this time at the level of dilution proposed.

Update on alluvial operations

In October 2017, the Board announced that alluvial mining contractors Sino Minerals and Omnia Mining, had each commenced production on the eastern and western halves respectively of the Manica concession. In respect of the eastern half, the Company reported that smelting of first gold was expected no later than the 10 October 2017 which

was achieved on 8 October 2017, and the Company was in receipt of its first gold bars on 22 October 2017. In respect of the western half, the Company reported that first income was anticipated at the end of November 2017 and Omnia continue to work on the gold plant and in particular the gold room to increase fine gold recovery and hence overall gold recovery.

Colin Bird, Chairman said: "The placing was considered necessary to satisfy outstanding debt and remove the requirement for further convertible issues. The Company has also made the placing in order to have immediate access to funds to take full advantage of the potential within the Manica area which may include taking equity positions in operations and fast tracking the hard rock propositions together with others in the vicinity. The Company will continue to pursue other opportunities if and when deemed appropriate.

Admission to AIM

Application will be made for admission of the Placing Shares to trading on AIM ("**Admission**"), in aggregate amounting to 59,649,140 new Ordinary Shares ("**New Shares**") to be admitted to trading on or around 28 November 2017. The New Shares will rank *pari passu* in all respects with the Company's existing issued ordinary shares.

Total Voting Rights

On Admission of the New Shares, the Company will have 350,560,684 Ordinary Shares in issue with voting rights. Xtract does not currently hold any shares in treasury. Accordingly, this figure of 350,560,684 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Broker Warrants

In conjunction with the Placing, the Company will issue 5,964,914 Broker warrants to Beaufort Securities Limited subject to a resolution to be put to shareholders at an AGM or shareholder meeting to be convened, exercisable in whole or in part at 2.85p to be exercised within 2 years of being issued.

Other

This announcement contains inside information for the purposes of Article 7 of EU Regulation No. 596/2014 on market abuse. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Further details are available from the Company's website which details the Company's project portfolio as well as a copy of this announcement: www.xtractresources.com

Enquiries:

Xtract Resources Plc	Colin Bird, Executive Chairman	+44 (0) 20 3416 6471
Beaumont Cornish	Michael Cornish	+44 (0) 20 7628 3369
	Roland Cornish	
	Felicity Geidt	
	Email: corpfin@b-cornish.co.uk	
Beaufort Securities	Jon Bellis	+44 (0) 20 7382 8300

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