



[Xtract Resources plc](#) - XTR

YAII EQ Loan Note Conversion

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The Board of Xtract Resources Plc ("**Xtract**" or the "**Company**") announces that the Company received on 19 June 2017 a conversion notice from YA II EQ, Ltd. (the "**Investor**") to convert US\$102,663 of the outstanding Convertible Loan.

Convertible Loan Background

As announced on the 5 April 2017, the Company and the Investor agreed *inter alia* that the outstanding balance owed under the Convertible Loan amounted to US\$1.04 million (the "**Balance**"). In respect of US\$0.52 million of the Balance, the Company agreed to make 9 monthly cash payments of principal and interest beginning on 1 July 2017 and in respect of US\$0.52 million of the Balance, the Company agreed to pay such amount on 1 April 2018, plus any accrued and unpaid interest thereon, to the extent that any such amount had not been previously discharged through conversion into new ordinary shares of the Company by the Investor who may at any time until 1 April 2018, convert all or any of the amount then outstanding under the Balance into new fully paid Xtract ordinary shares at a conversion price equal to a 15% discount to the average volume weighted average price of Xtract ordinary shares ("**VWAP**") during the 10 business days prior to the conversion date subject to a floor price of 0.012p per share.

Conversion Notice

On 19 June 2017, the Company received a conversion notice from the Investor to convert US\$100,000 of the Balance, together with interest of US\$2,663, at a conversion price of 0.0012p (equal to the above floor price) ("**Conversion Notice**").

As previously announced, at the annual general meeting of the Company ("**AGM**") to be held on 22 June 2017, shareholders are being asked to consider, and if thought fit, passing *inter alia* the Capital Reorganisation comprising two elements:

- Consolidation - Every 200 Existing Ordinary Shares will be consolidated into one ordinary share of 2 pence (a "**Consolidated Share**").
- Subdivision - Immediately following the Consolidation, each Consolidated Share will then be sub-divided into one new ordinary share of 0.02 pence ("**New Ordinary Share**") and twenty-two New Deferred Shares of 0.09 pence.

If the resolution to approve the Capital Reorganisation is passed the Capital Reorganisation will become effective immediately following close of business on 22 June 2017. The New Ordinary Shares arising on implementation of the Capital Reorganisation will have the same rights as the Existing Ordinary Shares, including voting and other rights. Application has been conditionally made for the New Ordinary shares to be admitted to trading on AIM with effect from 8.00am on 23 June 2017.

Accordingly:

(i) Assuming the Capital Reorganisation proceeds, the Company will issue 3,342,537 New Ordinary Shares to the Investor pursuant to the Conversion Notice ("**New Conversion Shares**"). Application will be made by the Company for admission to trading on AIM of the New Conversion Shares, which will rank *pari passu* with all New Ordinary Shares to be issued pursuant to the Capital Reorganisation, with Admission of the New Conversion Shares expected to occur on or around 26 June 2017 and the enlarged issued share capital will be 175,648,572 New Ordinary Shares;

OR

(ii) In the event that the Capital Reorganisation does **not** proceed, the Company will issue 668,507,333 Existing Ordinary Shares to the Investor pursuant to the Conversion Notice ("**Old Conversion Shares**"). Application would then be made by the Company for admission to trading on AIM of the Old Conversion Shares, which would rank *pari passu* with all Existing Ordinary Shares, with Admission of the Old Conversion Shares expected to occur on or around 26 June 2017 and the enlarged issued share capital will be 35,129,750,313 Existing Ordinary Shares. A further announcement will be made in due course.

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

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