

Regulatory Story

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Metals Exploration PLC - MTL Working Capital Funding
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METALS EXPLORATION PLC

Metals Exploration plc (AIM: MTL) ("Metals Exploration" or the "Company"), the natural resources exploration and development company with assets in the Pacific Rim region.

Working Capital Funding

The Company announces that it has agreed, with its two major shareholders, MTL (Luxembourg) Sarl Limited and Runruno Holdings Limited (together the "Lenders"), an unsecured standby loan facility of up to US \$6.6million (the "Facility"). The Facility is available to be drawn by the Company as might be required for general short term working capital use. The main commercial terms of the Facility are in line with previously provided facilities from the Lenders and as follows:

- Interest rate: 20% per annum accruing daily from drawdown;
- Arrangement fee: 2% payable in cash on signature;
- The Facility is provided on the condition that the Company replaces the three previously announced (December 2015, March 2018 and July 2018) loan facilities provided by the Lenders (and accrued/capitalised interest) together with this current Facility into a new Mezzanine style single facility (the "Mezzanine Facility");
- If the Mezzanine Facility is not completed by 31 December 2018, this will trigger an event of default under the Facility.
- The Company is currently working towards putting this Facility in place.

As previously announced to the market on 5 November 2018, the Company has also commenced working towards restructuring its senior debt facility and is considering wider funding options, as the Board continue to work towards realigning the overall Group debt with the Runruno gold mine cash flows. It is expected more information will be made available before 31 December outlining the strategy being pursued.

Related party transaction

The Facility is a related party transaction pursuant to Rule 13 of the AIM Rules for Companies and the independent director of the Company, Ian Holzberger, having consulted with the Company's nominated adviser Canaccord Genuity Limited, considers that the terms of the Facility are fair and reasonable insofar as the Company's shareholders are concerned.

For further information please visit or contact www.metalsexploration.com

Ian R. Holzberger (Executive Chairman)	+63 (0) 9189 795 992 +61 (0) 418 886 165
Liam A. Ruddy (Company Secretary)	+63 (0) 918 979 2931 +44 (0) 7904 200857
Andrew Rodgers (Chief Financial Officer)	+61 412 429 856

Nominated Adviser and Broker: Martin Davison, James Asensio	CANACCORD GENUITY LIMITED +44 (0) 207 523 4689
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Public Relations: Barnaby Hayward, Jos Simson	TAVISTOCK +44 (0) 207 920 3150
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