

Regulatory Story

[Go to market news section](#)



Metals Exploration PLC - MTL Amendment to Senior Lenders' Facility Agreement
Released 12:35 18-Feb-2019



RNS Number : 3833Q
Metals Exploration PLC
18 February 2019

18 Feb 2019

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.

Amendment to the Senior Lenders' Facility Agreement

Metals Exploration, through its Philippine subsidiary company FCF Minerals Corporation ("**FCF**") advises that it has agreed the conditional reschedule of the Runruno Facility Agreement ("**Senior Facility**") as amended with its lenders, The Hongkong and Shanghai Banking Corporation Limited and BNP Paribas, via an Amendment Deed dated on 18 February, 2019 ("**Deed**").

The key amended commercial terms applying to the outstanding rescheduled loan amount of US \$63.3 million are as follows:

- a. The final repayment date is extended to 31 December 2020 and the backstop date for Project Completion¹ is 30 June 2019.
- b. It is a condition precedent of the Deed that the Company raises net equity proceeds of US \$20million before 31 March 2019. These funds will be immediately utilized to reduce the Senior Facility by US \$15million and provide a working capital facility of US \$5million to FCF.
- c. A revised repayment amortization schedule as follows:

Repayment Date	Repayment \$ USD
29-Mar-19	\$15,500,000
30-Jun-19	\$2,500,000
30-Sep-19	\$3,500,000
31-Dec-19	\$3,500,000
31-Mar-20	\$3,500,000
30-Jun-20	\$3,500,000
30-Sep-20	\$4,000,000
31-Dec-20	\$27,300,000

- d. Interest continues to be calculated as US 3 month LIBOR plus margin with the margin element to be staged as follows:

Payment Date	Margin
to and including 31 December 2019	6% per annum
from and including 1 January 2020 to 31 March 2020	7% per annum
from and including 1 April 2020 to 30 June 2020	8% per annum
from and including 1 July 2020	9% per annum

- e. A change to the project ratios contained in the financial covenants as follows:
- loan life cover ratio of not less than 1.35 to 1, and
 - reserve tail ratio of greater than 30%.
- f. US \$5million is to be retained as a minimum balance in the Offshore Proceeds Account through to final debt repayment. The Senior Facility requires all gold sales by FCF and new equity and debt proceeds to flow into the Offshore Proceeds Account. If, on any quarterly Calculation Date the credit balance of the Offshore Proceeds Account is less than US\$5million, there is a grace period of 60 days to correct.
- g. If the balance of the Offshore Proceeds Account exceeds US \$6million on any quarterly Calculation Date, 100% of free cashflow will be swept and applied in reduction of the outstanding principal.
- h. No moneys may be withdrawn from the proceeds accounts to repay the shareholders' Mezzanine Facility, any shareholder loans or to make any other distributions, unless and until the Senior Facility is repaid in full.
- i. The obligation to fund a Debt Service Reserve Account and Opex Reserve Account is suspended.

¹Project Completion occurs following the successful application of a 90 day physical and financial performance testing regime during which design throughput, recovery and operating costs are demonstrated. Typically the testing will be initiated by the Company once stable operations at the

necessary levels is achieved. Failing to achieve Project Completion by the backstop date is a defined in the original Senior Facility as a default event.

This Announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 ("MAR"). Upon the publication of this Announcement, this inside information is now considered to be in the public domain.

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

Darren Bowden	Chief Executive Officer	+57 310 230 1620
Andrew Rodgers	Chief Financial Officer	+61 412 429 856

Nominated Advisor & Broker :	CANACCORD GENUITY LIMITED
Martin Davison, James Asensio	+44 (0)207 523 4689

Public Relations :	TAVISTOCK
Jos Simson, Barnaby Hayward	+44 (0)207 920 3150