

# Kagara Limited (ASX:KZL) Completes A\$25M Institutional Share Placement

14.12.2011 | [ABN Newswire](#)

13:21 AEST Dec 14, 2011 ABN Newswire (C) 2004-2011 Asia Business News PL. All Rights Reserved.

Perth, Australia (ABN Newswire) - Kagara Limited (ASX:KZL) is pleased to advise that it has raised A\$25 million before costs through an institutional share placement underpinned by a group of leading North American, Australian, European and Asian institutions, including existing shareholders. The proceeds will be used to support Kagara's exploration and production growth strategy in North Queensland.

The share placement, comprising 80,645,161 shares at an issue price of A\$0.31 per share, was made to existing shareholders and sophisticated investors under s.708 of the Corporations Act (2001).

The share placement was jointly managed by New York-based investment bank and broking firm Casimir Capital L.P. as Global Lead Bookrunner and Global Lead Manager - which has introduced several leading North American funds and institutions to Kagara's share register - and Australian stockbroker Wilson HTM as Joint Australian Lead Manager with E.L.& C. Baillieu Stockbroking Ltd acting as settlement agent and selling group member.

The placement was made in accordance with the Company's available 15 per cent placement capacity pursuant to ASX Listing Rule 7.1 and accordingly shareholder approval was not required for the placement. The new shares will rank equally with existing Kagara ordinary shares quoted on the ASX. Following completion of the share placement, Kagara will have 798.953M shares on issue. The funds raised will be used for the following purposes:

- to complete the acquisition of the Einasleigh Copper Project from Copper Strike Limited (ASX:CSE), which will add additional future high-margin copper revenue to Kagara's growth and development plans;
- to enable exploration momentum to be maintained following recent drilling success in the Northern Chillagoe Region; and
- to underpin the objectives of the Company's 5-year growth strategy, as outlined on 21 September 2011, which is continuing to deliver solid results in terms of production, cash costs and exploration results.

Kagara's Managing Director, Mr Geoff Day, said the Board had decided it was prudent to undertake a strategic capital raising to ensure the Company was well positioned to meet a number of key short term objectives as part of its 5-year growth strategy and move into the wet season with a strong funding buffer.

'While the final Einasleigh payment could have been funded out of cash flow from operations, we decided to raise additional capital as an insurance policy moving into the wet season given the recent unforeseen bureaucratic delays that occurred in bringing Baal Gammon on line. These delays have pushed back revenue from this operation at a time of increased capital commitments on two new mine developments at West 45 and Baal Gammon.'

'We did consider other funding alternatives for Einasleigh including concentrate off-take financing and debt, however we decided that this was the option that was in shareholders' best interests given that we wish to maintain maximum flexibility for the future development and off-take from this asset, which forms an important part of our future growth plans in North Queensland.'

'The share placement will strengthen our share register by introducing a number of leading North American institutional investors, with the proceeds ensuring we can maintain our exploration momentum in North Queensland. We are delighted by the strong support received for the share placement from a large number

of existing and new Australian, North American, European and Asian institutional investors.

'I would also like to reiterate that the key objectives of our 5-year growth strategy remain very much intact, with resource drilling delivering exciting results - particularly in the North Chillagoe Region - and the Company on track to achieve or exceed production guidance for Q2FY12, notwithstanding the delays at Baal Gammon.

'We are also making good progress with the planned sale of our Lounge Lizard nickel business in Western Australia, where Kagara has entered the second stage of the nickel assets sale process with a number of interested parties and, as previously advised, is on track to finalise the sale process in the first Quarter of 2012. The additional cash available to the business will ensure we are well placed to negotiate the best possible outcome from this sale.'

#### About Kagara Limited:

Kagara Limited is an S&P ASX 200 Australian resources group and one of Australia's lower cost producers of zinc, copper, lead and nickel.

The Company's base metals operations centre on the Mt Garnet-Chillagoe region of north Queensland, with three underground mines, one open pit mine and three processing facilities and a substantial production profile targeting copper production of 23,000 tonnes in FY2011 and zinc production of 100,000 tonnes in FY2012.

Production is also underway at the Lounge Lizard Nickel Project in Western Australia at a targeted nickel ore production rate of 50,000 tonnes per annum.

In addition, Kagara holds an extensive portfolio of high quality development and exploration assets, including the world-class Admiral Bay zinc-lead-silver-barite deposit in Western Australia, capable of delivering long term growth for the Company's shareholders well into the future.

#### Source:

Kagara Limited

#### Contact:

Geoff Day  
Managing Director & CEO

Joe Treacy  
Executive General Manager Minerals and Business Development

Kagara Limited  
Tel: +61-8-9481-1211

---

Dieser Artikel stammt von [Rohstoff-Welt.de](http://Rohstoff-Welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/116250--Kagara-Limited-ASX-KZL-Completes-A25M-Institutional-Share-Placement.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!  
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinen](#).