

Troy to Raise Up to A\$28 Million by Way of Placement and Up to Approximately A\$10 Million by Way of A Share Purchase Plan, to Advance Development of the West Omai Project

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PERTH, WESTERN AUSTRALIA -- (Marketwired - Feb. 25, 2014) - Gold producer [Troy Resources Limited](#) (ASX:TRY) (TSX:TRY) ("Troy" or "Company") is pleased to announce a capital raising of up to approximately A\$28 million via an ordinary share Placement ("Placement") to institutional and sophisticated investors, and following that a share purchase plan to eligible shareholders to raise up to an additional A\$10 million ("SPP") (together the "Capital Raising"). The Placement comprises an issue of up to approximately 22.29 million ordinary shares in Troy and will be conducted at a fixed price of A\$1.25 per share(1) ("Placement Price"). The Placement and SPP are not underwritten.

The proceeds of the Placement together with the SPP will be used to advance development of Troy's West Omai Project ("West Omai") in Guyana including for:

- General earthworks at the West Omai site including roads, camp, site preparation for processing facilities, offices, tailings dam and other site infrastructure;
- Progressing project studies;
- Purchase of plant and equipment; and
- Resource infill and infrastructure sterilisation drilling.

The Capital Raising proceeds will also enable Troy to commence brownfields exploration at both the West Omai and Casposo projects and provide additional working capital enhancing financial flexibility in the current gold price environment.

All Directors of Troy have indicated their intention to apply for the full amount of A\$15,000 available to them as shareholders under the SPP.

Following the release of a Preliminary Economic Assessment/Scoping Study ("PEA") on West Omai in January 2014, Troy is expecting to complete a pre-feasibility study ("PFS") in the June quarter. Subject to the favourable results of the PFS, securing permits and approvals, the assumptions included in the PEA, Investec providing a new facility for the amount currently contemplated and the Placement being fully subscribed, Troy anticipates that production could commence from West Omai as early as the second half of calendar year 2015.

Whilst work on the PFS is still ongoing, based on the results of the PEA, Troy's current expectation (based on the assumptions included in the PEA) is that initial capital expenditure requirements, including pre-production mining costs and contingencies, will be US\$86.8 million for a conventional 750,000tpa CIL plant and mining operation at West Omai.

(1) Canadian subscribers will be able to elect to settle on the Australian register and pay A\$1.25 per share or on the Canadian register and pay C\$1.25 per share.

As previously announced the Company is in discussions with Investec Bank (Australia) Limited with respect to a new, restructured debt facility, to replace the existing A\$40 million facility and to provide additional funds to finance capital expenditure at West Omai. It is intended that the restructured debt facility will also amend Troy's repayment schedule beyond the construction period of the West Omai Project including the repayments otherwise due under the facility on 26 December 2014. The Board currently believes that the new debt facility combined with the proceeds of the Placement, assuming it is fully subscribed, any proceeds raised by the SPP, existing cash reserves of A\$18.7 million(2) and operational cashflows will be sufficient to fund the development of West Omai into production, based on the assumptions set out in the PEA.

Commenting on the announcement, Troy's Chairman David Dix said:

"The Capital Raising will allow us to accelerate development activities at West Omai. Following completion of

the PEA in January, we remain excited about the potential of this project to become our next operating mine and, subject to favourable results of the PFS, securing permits and approvals, the assumptions included in the PEA, Investec providing a new facility for the amount currently contemplated and the Placement being fully subscribed, we anticipate gold production could commence as early as the second half of calendar year 2015."

"This Capital Raising is part of the total financing package for West Omai. We are currently in discussions with Investec regarding a new debt facility, that, if secured for the facility size currently contemplated, together with the funds to be raised by the Placement, would complete the funding requirements for West Omai. Importantly, the Capital Raising should also allow us to recommence brownfields exploration later in calendar year 2014 at both West Omai and Casposo."

"We have included a Share Purchase Plan as we wanted to offer our existing retail shareholders the opportunity to participate in the capital raising. It is the intention of all Directors that they will apply for the full amount available to them as shareholders under the SPP."

Placement Details

The Placement will be made to eligible institutional and sophisticated investors in certain jurisdictions pursuant to exemptions from prospectus requirements under applicable securities laws. It is subject to receipt of all applicable regulatory approvals, including the approval of the Toronto Stock Exchange.

The Placement Price is fixed at A\$1.25 per share⁽³⁾ and represents a:

- 5.91% discount to the 5 day VWAP on the ASX of A\$1.329 per share for the period ending 25 February 2014; and

- 5.66% discount to the closing price on the ASX of A\$1.325 per share on 25 February 2014.

The Placement falls within Troy's placement capacity (pursuant to ASX Listing Rule 7.1) and is not subject to shareholder approval. Settlement of the Placement is currently scheduled to take place on Tuesday, 4 March 2014, with allotment and quotation of shares expected to occur on the ASX on Wednesday, 5 March 2014. New shares issued under the Placement will rank equally with existing Troy shares.

Details of the Placement are also set out in an Investor Presentation which Troy has lodged with ASX and filed in Canada on SEDAR today. The Investor Presentation contains important information, including expected use of funds, risk factors and foreign selling restrictions with respect to the Capital Raising, as well as the Capital Raising timetable.

(2) Audit reviewed balance at 31 December 2013. Pursuant to Investec Bank Facility, Troy must maintain a minimum cash balance of A\$5 million.

(3) Canadian subscribers will be able to elect to settle on the Australian register and pay A\$1.25 per share or on the Canadian register and pay C\$1.25 per share.

Macquarie Capital (Australia) Limited is acting as Global Coordinator and Joint Lead Manager to the Placement and Argonaut Securities Pty Limited is acting as Joint Lead Manager.

Share Purchase Plan Details

Under the SPP, shareholders with registered addresses in Australia, New Zealand, United Kingdom and Guyana on the record date of 7.00pm AEDT, Tuesday, 25 February 2014 will be invited to invest up to a maximum of A\$15,000 per shareholder. The SPP will be capped at A\$10 million ("Cap"), however, should total demand exceed this amount, the Directors reserve the right to accept over subscriptions or to scale back applications in their absolute discretion. In the event that Troy elects to scale back applications, this will be done on a pro-rata basis. Participation in the SPP is optional.

The issue price under the SPP will be equal to the Placement Price. Shares issued under the SPP will rank equally with the Company's existing ordinary shares on issue. No brokerage or transaction costs will be payable by subscribing shareholders. Further details on the SPP will be released on the ASX and distributed to eligible Troy shareholders shortly.

IMPORTANT NOTICES

Nothing in this release constitutes an offer of securities for sale or an offer to purchase any securities, or an invitation to any person to make such an offer, in any jurisdiction.

This news release may not be released in the United States and does not constitute an offer for securities in the United States. The securities referred to herein have not been, and will not be, registered under the US Securities Act of 1933 as amended ("the Securities Act") or the securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws.

This announcement contains "forward-looking statements" and "forward-looking information", which are based on assumptions and judgements of management regarding future events and results. Such "forward-looking statements" and "forward-looking information" includes statements regarding the Capital Raising, including the amount to be raised and timing and the use of funds raised, and the costs and timing of the development of a mine at West Omai, including the conduct and timing of the PFS, the sources of funds for these studies, and projected commencement of production at West Omai and the restructuring of the Company's debt facility with Investec Bank (Australia) Limited. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Troy and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, future prices of gold and silver, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure, the possibility of cost overruns, as well as those factors disclosed in the Company's filed documents. There can be no assurance that the Company's plans will proceed as planned or that they will be successfully completed within expected time limits and budgets or that, when completed, expected production levels will be achieved.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Assumptions have been made about, among other things: that applicable regulatory approvals for the Capital Raising will be received and all other conditions to completion of the Capital Raising will be satisfied, that second-hand plant and equipment will be available at a reasonable cost and will operate as anticipated, that permits and approvals required for the development of West Omai will be obtained in a timely way, and regarding the accuracy of the capital and operating costs estimates, the price of gold and silver and the accuracy of mineral resource and reserve estimates. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Troy does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

ABOUT TROY RESOURCES

Troy (ASX:TRY) (TSX:TRY) is a successful gold and silver producer with a track record of low cost mine development and production. The Company is unique amongst its peers having paid 13 fully franked cash dividends over the last 13 years.

Troy has been operating in South America since 2002 and, following development of the Casposo project in Argentina, the Company's annual gold production is now above 100,000oz of gold per annum.

In July 2013 the Company acquired Azimuth Resources Limited which had discovered and delineated a high-grade gold Resource in Guyana. Troy is continuing with infill drilling of the Resource and is targeting the release of a Pre-Feasibility Study in the first half of calendar year 2014 and if positive, would look to move quickly to project construction.

Troy's gold and silver production is unhedged; allowing its shareholders access to the full benefit of current and future gold price upside.

Troy is a responsible corporate citizen, committed to the best practice of health and safety, environmental

stewardship and social responsibility.

ABN: 33 006 243 750

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