



16 October 2014

**W Resources Plc**  
("W" or the "Company")

**W Resources secures up to US\$2.8 million investment by way of a convertible security and a private placement facility, with an additional placement facility of up to US\$4 million, to fund growth over the next 12 to 24 months**

W Resources Plc ("W" or "the Company"), the tungsten, copper and gold production, exploration and development company with assets in Spain and Portugal, announces that it has entered into a share purchase and convertible securities deed (the "Deed") with Bergen Global Opportunity Fund, LP ("Bergen"), an institutional investment fund managed by Bergen Asset Management, LLC, a New York asset management firm. The Agreement allows for the issuance by the Company of zero coupon convertible security for an initial amount of US\$800,000 immediately, and up to a further US\$2,000,000 in ordinary shares of 0.1p per share ("Ordinary Shares").

**Highlights:**

- Flexible funding at the option of W Resources by way of US\$2.8 million facility comprising of a US\$800,000 convertible security and a flexible private placement funding capacity of up to US\$2 million, with an additional facility of up to US\$4 million.
- Funding provided by New York based fund, Bergen Global Opportunity Fund, LP, an institutional investor.
- Convertible security can be repaid from W cash flow and existing VAT receivable limiting dilution to shareholders.
- Placement facility provides additional resources to enable further exploration and funding for fast tracking of the La Parrilla tungsten mine development in the area adjacent to and benefiting from the current tailings operational infrastructure.
- A number of contractual limitations on Bergen's exit have been agreed to between Bergen and the Company, e.g. no short selling of W shares is permitted, and Bergen has agreed limits to the number of shares it is permitted to sell.

Michael Masterman, Chairman of W Resources, commented: "The new capital will support our requirement for a flexible funding package which will enable us to move ahead with the exciting development of the La Parrilla and Régua mines.

"The investment is structured to fundamentally strengthen our capital structure, provide the resources for the initial development of the La Parrilla and Régua mines, and improve working capital. The initial US\$800,000 zero coupon convertible security is expected to be repaid from VAT receivables, therefore minimising dilution to existing shareholders. Although we welcome the flexibility the share placement facility gives us, we currently do not anticipate drawing more than US\$1 million under that facility for La Parrilla and Régua"

## **Further information:**

### **Convertible security**

The Company will shortly issue to Bergen a convertible zero interest security (the "Convertible Security") (having a nominal value of US\$800,000. This Convertible Security may be converted at the option of Bergen into Ordinary Shares, using the pricing mechanism described below. The Convertible Security falls for repayment after 24 months, to the extent that it has not been converted or repaid. The Company may pay the Convertible Security before 24 months, in which case it will bear a premium of 10 per cent. of the amount repaid.

The number of Ordinary Shares to be received by Bergen will be calculated (at Bergen's election) by reference to either (a) 91% of the average of five daily volume-weighted average prices of the Ordinary Shares on AIM during a specified period preceding a conversion of the Convertible Security, or (b) 140% of the average of the daily volume-weighted average prices of the Ordinary Shares for the 20 consecutive trading days preceding 15 October 2014 ("Issuance Price B"), being £0.01 per Ordinary Share.

Application will be made to the London Stock Exchange for any Ordinary Shares issued and allotted pursuant to the Convertible Security to be admitted to trading on AIM.

### **Placement facility**

Subject to the Company's right of termination of the facility, the Company will place Ordinary Shares worth up to \$2 million with Bergen in four equal tranches (each, a "Tranche") of US\$250,000 approximately monthly. By agreement between the Company and Bergen, each one of the Tranches may be increased to an amount no greater than US\$500,000.

The Company has the ability to extend the funding by an additional eight equity Tranches totalling up to US\$4,000,000, on the same terms, for a total of up to 12 Tranches, meaning that the aggregate of all Tranches may reach US\$6,000,000.

The number of Ordinary Shares to be received by Bergen will be calculated as set out above in relation to the Convertible Security, save that Bergen may not select Issuance Price B in relation to more than two Tranches.

Application will be made to the London Stock Exchange for any Ordinary Shares issued and allotted pursuant to the placement facility to be admitted to trading on AIM.

### **Restrictions on Bergen**

Bergen has agreed to certain limitations on its ability to dispose of the Ordinary Shares following any purchase. Further, Bergen does not, and has contractually agreed not to, and to cause its affiliates not to, short-sell the Company's shares. The Convertible Security may not be converted earlier than an agreed period following its issue, and no more than US\$300,000 of the Convertible Security may be converted within an additional extended period of time.

### **Costs**

In connection with the Deed:

- (a) the Company has agreed to pay Bergen a commencement fee of US\$124,000 by way of the issue of 12,167,029 Ordinary Shares. The Company has applied for admission of these Ordinary Shares to trading on AIM, and this is expected to become effective on or about 22 October 2014;
- (b) the Company has issued to Bergen a further 26,260,163 Ordinary Shares at par. The Company has applied for admission of these Ordinary Shares to trading on AIM, and this is expected to become effective on or about 22 October 2014. Bergen may be required to make a further payment to the Company once all of the obligations of the Company under the Deed have been finally met and no amount remains outstanding to Bergen, depending on the price of Ordinary Shares at such time; and
- (c) the Company has agreed that it will (subject to the satisfaction of certain conditions) issue to Bergen 28,000,000 warrants with an exercise period of 24 months from the date of issue (the "Warrants") to Bergen entitling Bergen (or any subsequent holder of the Warrants) to subscribe

for one Ordinary Share per Warrant at the exercise price equal to 140% of the average of the daily volume-weighted average prices of the Ordinary Shares during the five trading days prior to 15 October 2014, being £0.0091 per Ordinary Share.

Ordinary Shares will only be issued pursuant to the Deed to the extent that the Company has the relevant authorities to do so.

Application will be made to the London Stock Exchange for any Ordinary Shares issued and allotted on exercise of the Warrants or conversion of the Convertible Security to be admitted to trading on AIM.

The proceeds for the issue of the Ordinary Shares under the Deed will be used by the Company for general working capital purposes.

Following the issue of the Ordinary Shares to Bergen, the Company will have 2,376,970,500 Ordinary Shares in issue with each share carrying the right to one vote. There are no shares currently held in treasury. The total number of voting rights in the Company is therefore 2,376,970,500 and this figure may be used by shareholders as the denominator for the calculations by which they determine if they are required to notify their interest in, or a change to their interest in, the Company under the Disclosure and Transparency Rules.

### **Short-term related party loan**

Additionally, on 15 October 2014, Beronia Investments Pty Ltd ATF Duke Trust, of which Dr. Byron Pirola (a director of the Company) is both a beneficiary and trustee, lent Iberian Resources Spain SL, (a subsidiary of the Company), a short term loan of €200,000 to cover VAT receivables which are due to be repaid to the Company by the Agencia Tributaria (Spanish VAT Authority). The loan will be repayable at any time and has an interest rate of 5 per cent. per annum. W Resources is in advanced discussions with a number of Spanish banks and expects to be able to secure a bank VAT facility during the second half of 2014.

By virtue of its size and because Dr Pirola is a director of the Company, the loan falls to be treated as a related party transaction under AIM Rule 13. Consequently, the Independent Director, being Mr Michael Masterman, having consulted with Grant Thornton UK LLP (the Company's nominated adviser) confirms that he is satisfied that the terms of the loan are fair and reasonable insofar as the shareholders of the Company are concerned.

### **About Bergen Asset Management LLC**

Bergen Global Opportunity Fund, LP is managed by Bergen Asset Management LLC, a New York-based asset management company. Bergen Asset Management LLC invests in high-growth public and private companies in a range of industries around the world and has an extensive track record of successful investments in dozens of small-cap public companies over the years.

### **Enquiries:**

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## **About W**

In 2012, W Resources Plc (AIM:WRES) made the successful transition into a tungsten production, exploration and development company with projects in Spain and Portugal, following two acquisitions. Projects now include La Parrilla, a tungsten project in Spain and Régua and Tarouca Tungsten projects and the Portalegre copper-gold project in Portugal.

The Company's deposits and tungsten mine developments offer a low cost, high margin resource development opportunity due to a strong market following for Tungsten, increased trading and a forecast shortage of supply. The price of tungsten has more than doubled in past three years and is in the top 5 critical metals list.

The Board is focused to explore further opportunities in the region with a view to building a mid-tier minor metal producer.