RNS Number : 9503T
Landore Resources Limited
24 July 2020

24 July 2020

**Landore Resources Limited**

("**Landore Resources**" or the "**Company**")

**Proposed Share Capital Consolidation**

Landore Resources Limited (AIM:LND), today announces a proposed share capital consolidation ("**Share Consolidation**") of the existing ordinary share capital of the Company ("**Ordinary Shares**").

The effect of the proposed Share Consolidation will be to reduce the number of issued ordinary shares of no par value each in the Company ("**Ordinary Shares**") by a multiple of 20, which is expected to increase the trading price of the resulting ordinary share proportionally.

The Board considers the Share Consolidation to be in the best interests of the Company and the shareholders in the Company ("**Shareholders**"), as it believes that the effect of the Share Consolidation will be to improve the market liquidity of and trading activity in the Company's shares. The Directors believe that the existing share capital structure is no longer appropriate, as the high number of shares in issue combined with the relatively low price per share is thought to result in excess volatility and reduced liquidity in the Company's shares. By proceeding with the Share Consolidation, the Directors anticipate that a higher price per share will improve the marketability of the Company and could increase interest from institutional investors in the UK and overseas which should improve the liquidity of the Company's shares.

As it is proposed that all existing ordinary shares held in the Company be consolidated, the proportion of the issued ordinary share capital of the Company held by each Shareholder immediately before and after the Capital Reorganisation will remain relatively unchanged, other than for small changes that may arise from the rounding for fractional entitlements.

Implementation of the Share Consolidation requires the approval of Shareholders. This approval is being sought at an Extraordinary General Meeting of the Company ("**EGM**"), which is scheduled to be held at 12.00 p.m. on 20 August 2020 (or as soon as thereafter following completion of the Annual General Meeting) at La Tonnelle House, Les Banques, St Sampson, Guernsey, GY1 3HS at which the resolution necessary to give effect to the Share Consolidation will be put to Shareholders.

A circular ("**Circular**") containing the notice of EGM, which provides details of the Share Consolidation, and form of proxy, is to be posted to Shareholders on 27 July 2020. The notice of EGM will also be made available at the Company's website, www.landore.com

**Further details in relation to the Share Consolidation**

As at 23 July 2020 (being the latest practicable date prior to the publication of this announcement), the Company had 1,799,076,699 Ordinary Shares in issue ("**Existing Ordinary Shares**"), with each share having a mid-market price at the close of business on such date (as derived from the Daily Official List) of 1.18 pence per share.

The Share Consolidation will consist of the following steps:

- the Company intends to issue a single further Ordinary Share prior to the Record Date, so as to ensure that the total number of Ordinary Shares in issue immediately prior to completion of the Share Consolidation is exactly divisible by 20. Subject to the passing of the relevant resolutions at the EGM, the additional Ordinary Share will be issued on 20 August 2020 at a subscription price per Ordinary Share of 1.18 pence (being the closing middle market price of an Ordinary Share on 23 July 2020, being the latest practicable date prior to publication of this announcement).

- the consolidation of every 20 Existing Ordinary Shares of no par value each into one New Ordinary Share of no par value ("**New Ordinary Shares**").

The Share Consolidation is anticipated to become effective at 6 p.m. on 20 August 2020. The New Ordinary Shares arising on implementation of the Share Consolidation will have the same rights as the Existing Ordinary Shares, including in respect of voting rights, entitlement to dividends and other rights. The issued share capital of the Company immediately following the Share Consolidation is expected to comprise 89,953,835 New Ordinary Shares of no par value, which will be equal to the number of Existing Ordinary Shares immediately prior to the Share Consolidation divided by 20.

To reflect the Share Consolidation, the Board is proposing to reduce the number of shares that are subject to outstanding options ("**Options**") by a multiple of 20 and increase the option exercise price by the same multiple. This would apply to any new Options that are issued after the date of this announcement and prior to the Record Date. Any fractional entitlement to shares will be rounded down. The overall amount payable by an Optionholder looking to exercise his Option after the Share Consolidation will remain the same and the proportion of the issued share capital over which an Option is subsisting will also remain the same.

Similarly, the 478,222,223 existing warrants exercisable at 1 pence and the 7,142,857 Existing Warrants exercisable at 0.875 pence currently outstanding (together, the "**Existing Warrants**") at the date hereof will, upon the Share

Consolidation becoming effective (and assuming no Existing Warrants are exercised prior to the date), be adjusted to 23,911,111 warrants exercisable at 20 pence and 357,142 warrants exercisable at 17.50 pence respectively. The terms of the Existing Warrant Instruments ("**Warrant Instruments**") provide that, in the event of any consolidation of the share capital of the Company, the number of Ordinary Shares for which the outstanding subscription rights pursuant to the Existing Warrants may be exercised and the exercise price payable on exercise of an Existing Warrant shall be adjusted so that the overall amount payable by a warrantholder looking to exercise his Existing Warrants after the Share Consolidation will remain the same and the proportion of the issued share capital over which the Existing Warrants are subsisting will also remain the same. Any fractional entitlement to shares will be rounded down. Notice of adjustments to outstanding Existing Warrants will be sent to individual warrantholders together with a new warrant certificate as soon as reasonably practicable following the date on which any such adjustment shall take effect.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM. Dealings in the Existing Ordinary Shares will cease at close of business on the date of the EGM and dealings in the New Ordinary Shares are expected to commence the following business day.

The ISIN code for the New Ordinary Shares is GG00BMX4VR69 and the SEDOL number is BMX4VR6.

**Expected timetable of principal events**

| | |
|---|---|
| Circular posted to Shareholders | 27 July 2020 |
| Latest time and date for receipt of Forms of Proxy | 12 p.m. on 18 August 2020 |
| Additional 1 Ordinary Share issued | 20 August 2020 |
| Extraordinary General Meeting | 12 p.m. on 20 August 2020 (or as soon as thereafter following completion of the Annual General Meeting) |
| Record Date and completion of Share Consolidation | 6 p.m. on 20 August 2020 |
| Expected date on which New Ordinary Shares will be admitted to trading on AIM | 8.00 a.m. on 21 August 2020 |
| Expected date for CREST accounts to be credited with New Ordinary Shares | 21 August 2020 |
| Expected date for dispatch of certificates in respect of those New Ordinary Shares to be issued in certificated form | by 4 September 2020 |

**Effect of COVID-19 regulations on the Extraordinary General Meeting**

In light of the Guernsey Quarantine Restrictions, the Company strongly encourages all Shareholders not residing in Guernsey on the date of this announcement to submit their Form of Proxy, appointing the Chairman of the Extraordinary General Meeting as proxy. If the Guernsey Quarantine Requirements continue to apply on the date of the Extraordinary General Meeting, Shareholders who have arrived in Guernsey within a period prior to the date of the Extraordinary General Meeting which is shorter than the quarantine period specified in the Guernsey Quarantine Restrictions may not be allowed to attend the Extraordinary General Meeting in person and anyone who attempts to do so may be refused entry. The situation regarding COVID-19 is constantly evolving, and the Government of Guernsey may change current restrictions or implement further measures relating to the holding of general meetings during the affected period. Any changes to the Extraordinary General Meeting (including any change to the location of the Extraordinary General Meeting) will be communicated to Shareholders before the meeting through our website at https://www.landore.com/index.php and, where appropriate, by announcement made by the Company to a Regulatory Information Service. It is suggested that Shareholders consult www.covid19.gov.gg for updates closer to the date of the meeting.

Voting on the resolutions will be by way of a poll rather than a show of hands. A poll ensures that the votes of Shareholders who are unable to attend the Extraordinary General Meeting, but who have appointed proxies, are taken into account in the final voting results.

Given the current restrictions on attendance in person, Shareholders are encouraged to appoint the chair of the meeting as their proxy rather than a named person who will not be permitted to attend the physical meeting. Shareholders are further asked to appoint the chair of the meeting as their proxy electronically where possible.

Should Shareholders wish to ask any questions in relation to the resolutions, which they may otherwise have asked at the Extraordinary General Meeting had they been in attendance, they are encouraged to contact the Company prior to the Extraordinary General Meeting by email to whumphries@landore.com.

Shareholders will find accompanying the Circular, a Form of Proxy, for use in connection with the Extraordinary General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by the Company's Registrar Agents, Computershare Investor Services (Guernsey) Limited, as soon as possible and in any event not later 12pm on 18 August 2020.

**Recommendation**

The Directors consider that the Share Consolidation is in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the resolutions as they will do in respect of their Ordinary Shares in the Company, which in

aggregate total 162,402,911 Ordinary Shares representing approximately 9.03 per cent. of the Existing Ordinary Shares.

**For more information, please contact:**


**Landore Resources Limited**

Bill Humphries, Chief Executive Officer Tel: 07734 681262

Glenn Featherby, Finance Director Tel: 07730420318

**Cenkos Securities plc (Nominated Advisor and Broker)**

Derrick Lee / Peter Lynch Tel: 0131 220 9771



This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.


END

MSCDGGDRSSDDGGX