

## Regulatory Announcement

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<b>Company</b>	<a href="#">Carlton Resources PLC</a>
<b>TIDM</b>	CLN
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Carlton Resources PLC  
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### **Carlton Resources plc ("Carlton" or the "Company")**

#### **PLACING, EGM AND OPTION PLANS**

The Directors of Carlton (AIM: CLN) are pleased to announce a conditional placing ("Placing") of 142,857,143 new Ordinary Shares ("Placing Shares") at 0.28 pence per share ("Placing Price") with certain high net worth individuals and professional investors, to raise £400,000 ("Placing"). The proposed Placing is conditional upon the passing of various resolutions at an extraordinary general meeting of the Company's shareholders ("EGM") to be convened pursuant to a notice incorporated within a shareholder circular that was published and dispatched this morning ("Circular"). As further detailed in the Circular, the EGM will be held on 10 June 2009.

The Placing Price represents a discount of approximately 65 per cent. to the closing mid-market price of 0.8 pence per ordinary share on 8 May 2009. The Placing Shares will represent approximately 33.72 per cent. of the issued ordinary share capital of the Company as enlarged by the Placing and the issue of the Strand Shares, and following the Capital Reorganisation (all such terms as defined hereafter).

The proceeds of the Placing will be used to satisfy certain outstanding liabilities of the Company and for working capital purposes.

At the EGM there will be proposed the following resolutions (amongst

others), as more particularly described in the Circular:

- an ordinary resolution to reorganise the capital of the Company ("Capital Reorganisation") so as to effectively convert each of the 268,265,577 Existing Ordinary Shares of nominal value of 0.5 pence each into one New Ordinary Share of 0.1 pence nominal value and one Deferred Share of 0.4p each (such Deferred Shares to be effectively valueless as they will not carry any rights to vote or dividend rights, as well as having limited rights to participate in any return of capital);
- an ordinary resolution to increase the authorised capital of the Company (following the Capital Reorganisation) from £2,000,000 to £4,000,000 by the creation of 2,000,000,000 New Ordinary Shares of 0.1 pence each; and
- a special resolution to authorise the Directors to allot, inter alia, the Placing Shares and other New Ordinary Shares up to an aggregate nominal value of £169,449.09.

As required under section 142 of the Companies Act 1985, the board of directors of the Company ("Board" or "Directors") have also convened the EGM to consider and discuss the steps to be taken to address the Company's present position (following the disposal of its diamond and industrial operations in December 2008) whereby its net assets are less than half of the value of its called-up capital. Further information in relation to this issue is set out in the Circular.

Consistent with the cash expenditure minimisation policy recently adopted by the Board, the Company has also agreed with its Nominated Adviser, Strand Partners Limited ("Strand Partners"), that an existing debt of £35,000 owed by the Company to Strand Partners will be capitalised into New Ordinary Shares at the Placing Price, with the result that 12,500,000 New Ordinary Shares will, subject to the passing of the requisite resolutions of the EGM, be issued to Strand Partners in satisfaction of that debt. Further, the existing warrant held by Strand Partners to subscribe for 1,341,328 existing ordinary shares in the Company at a subscription price of 6.5 pence per share will be amended such that the subscription price shall be adjusted to 0.28 pence per share (being the Placing Price). The terms of Strand Partners' warrant will remain otherwise unchanged.

Finally, the Directors resolved on 11 May 2009 to adopt new Share Option Plans for employees (on the one hand) and directors and consultants (on the other hand) of the Company (collectively, "Plans") Further, the Board has (conditional upon the passing of Special

Resolution 5 as set out in the Circular) granted options pursuant to the Plans over, in aggregate, 61,668,400 Ordinary Shares in the capital of the Company, to Martyn Churchouse, the Company's Chief Executive Officer, Richard Jarvis, an Executive Director of the Company, Mark Burchnall, a Non-Executive Director of the Company, and to various consultants to the Company.

The Directors believe that the grant of the relevant share options is appropriate in Carlton's current circumstances, particularly given that for some months no fees or other remuneration have been payable to any of the Directors and that this situation is likely to continue for the foreseeable future whilst measures are implemented to rebuild the Company.

Details of the (conditional) grant of share options to the Board are as follows:

<b>Name</b>	<b>Number of share options granted</b>	<b>Exercise price per share</b>	<b>Date of disclosure and transaction</b>	<b>Period during which exercisable</b>	<b>Total number of share options held following this grant</b>
Martyn John Churchouse	9,250,260	0.8 pence	11 May 2009	Anytime before 11 May 2014	10,950,260
Richard Jarvis	9,250,260	0.8 pence	11 May 2009	Anytime before 11 May 2014	9,250,260
Mark Burchnall	9,250,260	0.8 pence	11May 2009	Anytime before 11 May 2014	9,250,260

In addition, options over a further 33,917,620 New Ordinary Shares were (conditional upon the passing of the requisite resolutions) today granted to various consultants to the Company on identical terms as to the terms applicable to the grants to the Directors.

A copy of the Circular will, in accordance with the AIM Rules for Companies, be available for download at the following website address: [www.carltonresourcesplc.com](http://www.carltonresourcesplc.com).

Speaking today in relation to the Placing, the Company's CEO, Martyn Churchouse, said:

"This fundraising is intended to safeguard the financial health of the Company whilst the Board continues to assess potential business opportunities in line with the investing strategy established by the Company's shareholders in January 2009 following the disposal of the

Company's diamond and industrial operations late last year. We are confident of concluding this assessment process and identifying one or more suitable opportunities for acquisition in the coming months, and look forward to building the Company into a significant junior explorer and developer."

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