
Territory Resources transfers debt to Noble Resources

Sunday, 11 Oct, 2009

Sydney Morning Herald last week reported that Territory Resources has finalized an agreement which will see its bank debt transferred to major shareholder Noble Resources.

The transfer resulted in the consolidation of all of iron ore miner Territory's debt to Noble.

Noble has agreed to purchase two short term loans totaling AUD 17.6 million owed by Territory to the bank, together with the bank's interest in securities relating to those loans.

The loans are currently secured by a fixed and floating charge over Territory's assets, a mortgage over its shares in key subsidiaries and a mining tenement mortgage over its Frances Creek mining leases.

They are also secured by a fixed and floating charge over the assets of Territory Iron, a wholly owned subsidiary of Territory and a guarantee and indemnity from Territory Iron, which guarantees the performance of Territory's obligations to the Bank and Noble.

Noble has provided the Company with an extension to the repayment date of its loans until 5pm on 19 October 2009 to facilitate continuing discussions regarding a restructure of the ongoing Noble debt arrangements.

Territory's shares will be suspended from trade until the debt arrangements with Noble are finalized and until the Company has released its 2009 full year financial accounts.

(Sourced from Sydney Morning Herald)

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