
Moly Mines closes share purchase plan

Thursday, 10 Dec, 2009

Moly Mines Limited announced that the Share Purchase Plan has closed with applications totaling 37.7 million shares. The offer share price was AUD 0.80 per share, the price committed to by institutions in the Share Placement.

Mr Dr Derek Fisher CEO of Moly Mines said that "This is an excellent outcome for our shareholders and the company as firstly it allows shareholders to further participate in the benefits to flow from our new relationship the Sichuan Hanlong Group of China. Secondly it significantly enhances the Company's on-going restructuring of its debt facility with TCW."

As previously announced the total number of shares to be issued under the SPP is 20 million. This restriction was agreed with Hanlong and is a term of the Subscription Agreement. Consequently each application will be scaled back to approximately 52% of the amount applied for.

Allotments are expected to be completed on December 7th 2009 and refund cheque printed on December 10th 2009. After the completion of the SPP allotments, Moly Mines will have 156,680,677 ordinary shares on issue.

Moly Mines' shareholder approval for the Hanlong investment will be sought at a General Meeting of the Company on December 16th 2009. This will be followed by Chinese regulatory approvals which Hanlong aims to have completed by January 31st 2010.

At completion Hanlong will subscribe for USD 140 million of equity in the company and provide a 10 year shareholder loan of USD 60 million. The proceeds will take out the balance of the TCW Interim Financing Facility, and deliver immediate financial certainty to shareholders.

Funds raised from the SPP will be applied toward the Interim Financing Facility with the Trust Company of the West. The balance of the facility after applying SPP proceeds is approximately USD 136 million.

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