

W Resources PLC

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W Resources secures additional financing to act as buffer during coronavirus shutdown; Spanish government grants also available

W Resources PLC (LON:WRES) has secured a £4mIn convertible bond facility from Atlas Capital Markets, providing additional financing as a buffer during the coronavirus shutdown.

The bond has a coupon of 5% and a term of three years. The facility can be drawn in tranches of up to £500,000 at the election of W Resources, with an agreed period between subsequent drawdowns.

The facility is unsecured and subordinated to the BlackRock Financial Management loan facility, with BlackRock consent required for a draw.

Atlas can convert the bond to W shares by issuing a conversion notice with the price set at 95% of the selected 3-day volume-weighted average price in the 15 days leading up to issue of a conversion notice by Atlas.

In parallel, the Spanish government, as part of its State of Emergency, has announced it is set to provide guarantees of up to 90% of funds to back companies affected by the pandemic. W Resources has started the process in order to enable it to access grants and government guarantees for additional low-cost Spanish bank funding to further strengthen its financial position.

Before the lockdown affected the W Resources operation at La Parrilla, quarterly production increased by over 160% from the December quarter.

What's more, the company has been able to implement a number of material improvements to the plant during planned shutdowns.

A full quarterly report will be provided mid-April following normal end of month reconciliation of production data and completion of the metallurgical and operations review, the group said.

"In these unprecedented and volatile times it is important to have in place a strong buffer of additional financial resources," said W Resources chairman Michael Masterman.

"The Atlas £4mIn convertible bond facility achieves this outcome and complements the recent equity placement at 0.36p. We are moving to access the Spanish government supported bank financing facilities and other grants which will further strengthen our financial position in these challenging times. La Parrilla's production has improved significantly quarter-on-quarter and we intend to make a further substantial step change and increase in production once La Parrilla reopens."

Price: 0.218

Market Cap: £14.61 m

1 Year Share Price Graph



Share Information

Code: WRES

Listing: AIM

52 week High Low
0.45 0.091

Sector: General mining & base metals

Website: www.wresources.com

Company Synopsis:

W Resources is building a European mining company focussed on delivering long term production of tungsten, a key strategic metal with strong market fundamentals.

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