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Venture plans \$20m capital raising

7-October-10 by Staff Reporters

Venture Minerals has announced plans for a \$20 million capital raising to fund ongoing exploration and feasibility studies at the Mt Lindsay tin/tungsten project in northwest Tasmania.

The capital raising includes an \$18 million placement to existing and new institutional shareholders.

It also includes a share purchase plan to existing and new institutional shareholders to raise a further \$2 million.

In a statement to the Australian Securities Exchange, Venture said, "The immediate focus for Venture is to upgrade its resource base, complete the current pre-feasibility study and continue its aggressive exploration program, testing multiple high-priority drill targets."

"The Company is seeking to fast track all activities at Mt Lindsay with six diamond core drill rigs on site."

The placement will be offered in two tranches of 24.5 million shares at 44 cents per share to raise \$10.8 million and 16.4 million shares at the same share price to raise \$7.2 million.

"This capital raising leaves Venture fully funded through to the completion of feasibility studies at Mt Lindsay, where we have already defined substantial resources of both tin and tungsten," said Venture managing director Hamish Halliday.

"The success of the financing demonstrates strong support for Venture and the project, as well as optimism about the tin price which continues to outperform all other base metals," he said.

See company statement below:

Australian mineral exploration company, Venture Minerals Limited (ASX code: VMS), announces it will raise \$20 million to fund ongoing exploration and feasibility studies at the Company's flagship Mt Lindsay Tin/Tungsten Project in northwest Tasmania. The capital raising includes an \$18 million placement to existing and new institutional investors and a share purchase plan to be offered to all eligible shareholders on the same terms as the placement.

Highlights:

- Strong demand for the raising from new and existing institutional investors in Australia, Europe and North America
- Placement has been well oversubscribed
- Proceeds to fully fund both feasibility studies and on-going aggressive exploration at Mt Lindsay
- Share purchase plan to be offered to all eligible shareholders
- Success of the capital raising demonstrates strength of support for Venture and Mt Lindsay Project as tin price reaches all time highs of +US\$26,000 per tonne

The \$20 million raising follows a number of major milestones achieved by the Company at Mt Lindsay including:

- The discovery of large high grade tin and tungsten zones;
- Exploration success at Reward;
- Excellent metallurgical results; and
- The completion of a successful scoping study.

The immediate focus for Venture is to upgrade its resource base, complete the current pre-feasibility study and continue its aggressive exploration program, testing multiple high-priority drill targets. The Company is seeking to fast track all activities at Mt Lindsay with six diamond core drill rigs on site.

The Placement

The Company has agreed to place a total of 40.9 million fully paid ordinary shares at 44 cents each, to institutional and sophisticated investors in two tranches:

- Tranche 1 - 24.5 million shares at 44 cents to raise \$10.8 million will be issued

immediately under the Company's 15% capacity, pursuant to ASX Listing Rule 7.1; and

- Tranche 2 - 16.4 million shares at 44 cents to raise a further \$7.2 million will be issued subject to shareholder approval at the Company's Annual General Meeting to be held during November 2010. A notice of meeting will be sent to shareholders in due course.

In addition, Venture will initiate a share purchase plan open to all eligible shareholders, to raise up to A\$2.0 million at A\$0.44 a share. The record date to be eligible to participate in the share purchase plan is 6 October 2010. Documents relating to the share purchase plan will be distributed in due course.

Venture Minerals Managing Director Hamish Halliday said: "This capital raising leaves Venture fully funded through to the completion of feasibility studies at Mt Lindsay, where we have already defined substantial resources of both tin and tungsten. The success of the financing demonstrates strong support for Venture and the project, as well as optimism about the tin price which continues to outperform all other base metals."

"We continue to remain bullish on the long-term fundamentals of the tin market, as well as the attractiveness of the Mt Lindsay Project, which is located in an historic mining area with an established mineral endowment. We expect the Mt Lindsay Project to be within the lowest cost quartile of the global tin industry and, following the completion of feasibility studies and financing, we anticipate that production from the site may begin as early as 2013."

Petra Capital acted as Lead Manager to the Placement along with Max Capital, who also acted as co-manager and corporate adviser to the issue.

Please see attached Appendix 3B in relation to the capital raising.

This announcement effectively lifts the trading halt that the Company requested on Tuesday 5 October 2010. The Company is not aware of any reason why the ASX would not allow trading to recommence immediately.

Article tags: [capital raising](#), [Mt Lindsay](#), [Share Purchase Plan](#), [tasmania](#), [tin/tungsten](#), [venture minerals](#)