



ASX Code: MRP

MacPhersons Resources Limited

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Capital Structure

Ordinary Shares on issue:
254 M

Board of Directors

Ashok Parekh
Chairman – Executive Director

Morrie Goodz
Managing Director – Executive
Director

Jeff Williams
Non-Executive Director

ASX Announcement

28 July 2014

MacPhersons to raise up to A\$10.4m at 16c to complete BFS at Nimbus silver-gold-zinc project

Highlights

- ❖ Macphersons is undertaking a share placement to raise up to ~\$9m (but able to take over subscriptions to \$10.4m) to eligible investors via the ASX BookBuild Facility
- ❖ Argonaut appointed Lead Manager, and will pay a stamping fee of 4%
- ❖ Orion Mine Finance to subscribe for up to \$6.5m worth of shares
- ❖ Chairman Ashok Parekh to subscribe for up to \$1m worth of shares
- ❖ Funds to be used for in-fill drilling of the Nimbus underground extension zone and finalisation of both permitting and the BFS on the Nimbus silver and Boorara gold projects

MacPhersons Resources Limited (ASX: MRP) is pleased to announce that it is undertaking a placement to raise up to approximately \$9 million (but able to take over subscriptions to \$10.4m) via the issue of fully paid ordinary shares at 16c each to eligible investors.

Orion Mine Finance has committed to subscribe for up to \$6.5 million worth of shares in the placement if the placement is fully subscribed, with Orion's equity interest to be capped at 19.9% of issued equity. Orion has been a shareholder since 2012.

In addition, MacPhersons Chairman Ashok Parekh has also agreed to subscribe for up to \$1 million worth of shares in the placement, subject to shareholder approval.

The Placement will be made to sophisticated and professional investors and will utilise the ASX BookBuild facility.

The Company has placed its securities in trading halt, which will be followed by a period of suspension until 31 July 2014 in order to effectively manage the ASX BookBuild process and the Placement. However, the Company reserves the right to close the BookBuild earlier. Orion and Mr Parekh will receive their allocations in priority to all other investors.

The Placement will be Lead Managed by Argonaut and will be **offered at 16c per share ("Offer Price")**.

The Orion Mine Finance Group is a mining-focused investment business with approximately \$1.4 billion under management specialising in providing flexible capital investment solutions to junior mining companies in the base and precious metals sector. Orion has demonstrated capability in debt, equity, convertibles, offtake, streaming, and royalty investments.

Mr Parekh said: *"The continued participation of Orion Mine Finance is welcomed by the Company and will assist our ongoing program of completing the Bankable Feasibility Study. Continued in-fill and mine plan extensional drilling is delivering exciting results. As Chairman I am very confident of the direction we are heading in."*

Participation in the Placement

Parties interested in participating in the Placement should contact their broker or adviser. Brokers can bid into the ASX BookBuild facility on behalf of their clients via the ASX code MRPXBB.

The Placement is offered to sophisticated and professional investors, as defined in Section 708 of the Corporations Act 2001 (Cth). Prior to submitting bids, all investors must have entered into an ASX BookBuild client agreement with their broker and ensure that they comply with the representations and warranties set out in Appendix A of this announcement and the ASX BookBuild rules and procedures, available on the ASX Website.

The level of investor participation in the ASX BookBuild and a deferred settlement of the directors' shares, will determine the number of shares that Orion can acquire so that its equity interest remains below 19.9% at all times.

Orion and the directors' participation are considered priority bids in the ASX BookBuild process.

Placement Fees

Argonaut will pay a stamping fee of 4.0% of the dollar value of each successful allocation via the ASX BookBuild facility to participant brokers. Payment will be subject to the receipt of a proper tax invoice made out to Argonaut. Argonaut will receive customary fees in connection with the provision of its services.

Key Dates

Offer open:	10.00am Monday 28 July 2014
Offer Close:	MacPhersons Resources Limited reserves the right to close the Placement at any time after midday (AEST) on Tuesday 29 July 2014.
Settlement:	T+4 days after the close via CHESS Primary Market Facility on a DVP basis other than Orion Mine Finance who will settle in accordance with the Placement Agreement, and any director participation, which will settle after receipt of shareholder approval.

Technical Lead Manager

Argonaut Securities Pty Ltd is acting as Technical Lead Manager and Settlement Agent for the Placement.

Further Information

Further information about the ASX BookBuild Facility can be found on the ASX website at the links below:

For brokers and advisors: <http://www.asx.com.au/documents/professionals/bookbuild-trading-participant-information-sheet.pdf>

For investors: <http://www.asx.com.au/documents/professionals/bookbuild-investor-information-sheet.pdf>

For all further enquiries regarding the placement please contact the Technical Lead Manager Argonaut on the details below, or your broker.

Adam Santa Maria, Argonaut
Telephone: 08 9224 6888

Appendix A

The Offer

- Placement of up to 56,250,000 Shares (inclusive of Orion Mine Finance), (65,000,000 Shares if the maximum placement of \$10.4m is completed)
- Placement Price \$0.16

Participation

The Placement is being made to sophisticated and professional investors and will use the ASX BookBuild facility. Parties interested in participating in the Placement should contact their broker or adviser. The Company reserves the right to alter the terms of the Placement.

Participation Representations and Warranties

By applying for Shares under the Placement, each applicant will be deemed to represent, warrant and agree for the benefit of MacPhersons Resources Limited, and its directors, officers, employees, or agents (affiliates) that:

a) If you are in Australia, you are a sophisticated investor within the meaning of section 708(8) or a professional investor within the meaning of section 708(11) of the Corporations Act 2001 (Cth) (Corporations Act) and that the shares offered to you on the basis that you are, and represent that you are a person to whom a disclosure document is not required to be given under chapter 6D of the Corporations Act.

b) If you are in New Zealand, you are a person whose principal business is the investment of money or who, in the course of and for the purposes of your business, habitually invests money, under section 3(2)(a)(ii) of the New Zealand Securities Act 1978.

c) If you are outside Australia and New Zealand, you are a person to whom an invitation or offer to subscribe for Shares is permitted by the laws of the jurisdiction in which you are situated or from where you submitted your bid to subscribe for Shares and you are a person to whom the Shares may lawfully be offered and issued in compliance with applicable laws.

d) You are not a U.S. Person as defined in Rule 902(k) Regulation S of the United States Securities Act of 1933, as amended (Securities Act).

e) The offer and sale to you of the Shares has not been and will not be registered under the Securities Act or the laws of any state or other jurisdiction in the United States. Therefore, you acknowledge that you may not offer, sell, pledge, transfer or otherwise dispose of any Shares in the United States unless and until the Shares are registered under the Securities Act (which you acknowledge MacPhersons Resources Limited has no obligation to do) or offered, sold, pledged, transferred or otherwise disposed of in a transaction exempt from, or not subject to, the registration requirements of the Securities Act or the laws of any state or other jurisdiction in the United States.

f) You are not a Related Party (as defined in section 228 of the Corporations Act or treated as such for the purposes of ASX Listing Rule 10.11) of MacPhersons Resources Limited, except as notified to and agreed by MacPhersons Resources Limited.

g) If you are acquiring any Shares for or on account of one or more persons, you have full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each such person.

h) MacPhersons Resources Limited and its respective affiliates are entitled to, and will, rely upon the truth and accuracy of these, representations, warranties and agreements.

In addition by applying for Shares under the Placement, each applicant will be deemed to indemnify MacPhersons Resources Limited and its respective affiliates against any loss, damage or costs incurred and arising out of or in relation to any breach by the applicant of any of the above representations, warranties and agreements.