



# PROMESA

## ASX ANNOUNCEMENT

14<sup>TH</sup> NOVEMBER 2014

### SOUTH AMERICA'S EMERGING PRECIOUS AND BASE METALS EXPLORER

**Suite 7 | 55 Hampden Rd,  
Nedlands, WA 6009  
Australia**

**ASX: PRA**

**P: +61 8 9389 8884**

**F: +61 8 6389 0576**



#### Contact

**Ananda Kathiravelu**

**Executive Director**

**E: [ananda@promesa.com.au](mailto:ananda@promesa.com.au)**

**M: +61 412 036 789**

**Michael Sebbag**

**Executive Technical Director**

**E: [michael@promesa.com.au](mailto:michael@promesa.com.au)**

**M: +61 407 703 899**

### KEY INSTITUTIONAL CAPITAL RAISING

Promesa Ltd ("Promesa") (ASX: PRA), wishes to advise that it has raised, \$803,000 before expenses from Lanstead Capital L.P. ("Lanstead"), a UK based institutional investor, by way of a subscription for 73,000,000 new ordinary shares of the Company ("Ordinary Shares") (the "Subscription Shares") at a price of \$0.011 per share (the "Subscription"). The Company has issued the Subscription Shares pursuant to Shareholder approval gained at the General Meeting on 13<sup>th</sup> August 2014.

#### Use of Proceeds

The proceeds raised will be used to assist with exploration and development of the Alumbre Project in Peru and to provide further working capital for the Company.

#### Subscription

Lanstead has subscribed for 73,000,000 new Ordinary Shares (the "Subscription Shares") for \$803,000. In addition, the Company has entered into an Equity Swap Agreements with Lanstead which allow the Company to retain much of the economic interest in the Lanstead Subscription Shares.

The Equity Swap Agreements enable the Company to secure much of the potential upside arising from anticipated near term news flow. The Equity Swap Agreements provide that the Company's economic interest will be determined and payable in 18 monthly settlements measured against a benchmark price of \$0.0147 per share (the "Benchmark Price"). If the measured share price exceeds the Benchmark Price, for that month, the Company will receive more than 100 per cent of the monthly settlement on a pro rata basis.

There is no upper limit on additional funds received by the Company as part of the monthly settlements. Should the measured share price be below the Benchmark Price, the Company will receive less than 100 per cent of the expected monthly settlement on a pro rata basis.

Of the net proceeds of \$803,000 from the issue of the Subscription Shares, the Company will use \$120,450 (15 per cent.) for working capital and \$682,550 (85 per cent.) for investment in the Equity Swap Agreements.

In no event would a decline in the Company's share price result in any increase in the number of Ordinary Shares received by Lanstead or any other advantage accruing to Lanstead. The 5 day VWAP of an Ordinary Share at the close of business on 12 November 2014 (being the latest practicable date prior to this announcement) was \$0.0137

The Company has agreed to make a value payment to Lanstead of 3,650,000 Ordinary Shares in consideration for the Equity Swap Agreements. Following completion of the Placement Lanstead will have 76,650,000 Ordinary Shares in the Company representing approximately 19.9% of Promesa's issued share capital.

Mr Ananda Kathiravelu, Managing Director of Promesa Limited said:

"We warmly welcome Lanstead to our register. The Lanstead structure will enable the Company to potentially raise more capital going forward as our exploration efforts progress at Alumbre. This raising will provide valuable funding to progress the Alumbre Project in Peru. Our exploration efforts will benefit from the immediate application of funds over the next 18 months."

Yours sincerely,



**Ananda Kathiravelu**  
Executive Director