

Lifting of Suspension

Released : 15 Apr 2015

RNS Number : 3397K
Premier Gold Resources PLC
15 April 2015

**Premier Gold Resources plc
(to be renamed Prospex Oil and Gas plc)**

("Premier Gold" or the "Company")

Agreement of Company Voluntary Arrangement, Completion of Disposal of Central Asia Resources Limited, Adoption of New Investing Policy, Change of name to Prospex Oil and Gas plc, Share Capital Reorganisation, Subscription for New Ordinary Shares and issue of options

Further to the announcements made on 20 March 2015 and 14 April 2015, Premier Gold announces that the following matters have completed and that it has requested that trading in its shares be reinstated, with effect from 7.30am on 16 April 2015.

1. The Directors' proposal for a Company Voluntary Arrangement ("CVA") has been approved by creditors and members on 14 April 2015, Antony Batty of Antony Batty & Company LLP was appointed as Supervisor;
2. Premier has completed the Settlement Deed with Tridevi Capital Partner (I) LP ("Tridevi"), disposing of the entire issued share capital of Central Asia Resource Limited ("CAR"), the Company's wholly owned subsidiary, to Tridevi in full and final settlement of the outstanding loan under the Convertible Loan Agreement;
3. As CAR, and its interest in the Licence, represented more than 75% of the assets of the Company, the Disposal is a fundamental disposal pursuant to Rule 15 of the AIM Rules which is conditional on consent of Shareholders being given in general meeting and that as the effect of the Disposal is to dispose of all, or substantially all of the Company's activities and assets, that the Company is required to adopt an Investing Policy. That approval had been given, and the details of the approved Investing Policy are set out below;
4. The Company's share capital has been re-organised through the consolidation of every 25,000 Existing Ordinary Shares into one Consolidation Share; and thereafter each Consolidation Share has been subdivided into 100 New Ordinary Shares and 1 New Deferred Share;
5. The Company has raised, via Peterhouse Corporate Finance, £1,076,150 (before expenses), conditional only on Admission, through the issue of 35,283,591 New Ordinary Shares to advance the Company's Investing Policy, of which £50,000 has been transferred to the Company in order to enable it to make an improved offer of settlement to the unsecured Creditors of the Company, than would otherwise have been possible; and
6. Edward Dawson, Richard Mays, Bill Smith and Gavin Burnell have been appointed as directors of the Company and it was agreed that the Company change its name to Prospex Oil and Gas plc. A further announcement will be made in due course confirming the change of name.

Christian Schaffalitzky, Richard Nolan, Garth Earls and Gerald Desler have resigned as directors.

Further to the above, the Company announces that Peterhouse Corporate Finance Limited has been appointed Joint Broker to the Company with immediate effect.

Contacts:

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| Premier Gold Resources plc (to be renamed Prospex Oil and Gas plc) | |
| Edward Dawson, CEO | 0207 887 1461 |
| WH Ireland Limited (Nominated Adviser and Joint Broker) | |
| Katy Mitchell | 0113 394 6600 |
| Peterhouse Corporate Finance Limited (Joint Broker) | |
| Lucy Williams / Eran Zucker | 020 7469 0932 |

Extracts from the Circular

All defined terms in this announcement have the meaning set out at the end of this announcement.

New Directors

Edward Roland Dawson, CEO & Managing Director (aged 40)

Edward holds a BEng and a MSc in Investment Analysis and has over 10 years' experience in the sector, as a financier of, investor in or holding senior management roles in junior oil and gas companies. Positions held include: Managing Director of Peppercoast Petroleum plc and Managing Director of Black Star Petroleum plc, Analyst on RAB Capital's Energy fund, Business Development and Finance Manager for Oilexco Incorporated and a Fund Manager for Park Place Capital.

Additional disclosures pursuant to Schedule 2 (g) of the AIM Rules:

| <u>Current Directorships</u> | <u>Previous Directorships</u> |
|-------------------------------------|--------------------------------------|
| SPAGYRIC 3 LIMITED | BLACK STAR PETROLEUM LIMITED |
| THE PEPPERCOAST FOUNDATION | SPAGYRIC LIMITED |
| PROSPECT OIL AND GAS LIMITED | BLACK STAR PETROLEUM PLC |
| PROSPEX OIL AND GAS LIMITED | BLACK STAR PETROLEUM GB LIMITED |
| FIT CLOUD TECHNOLOGY LIMITED | PEPPERCOAST PETROLEUM PLC |
| MEMBR INC | |

Richard Paul Mays, Non-Executive Director (aged 54)

Richard holds LLB, LLM, PhD degrees and is a Solicitor in Scotland. Formerly Professor and Deputy Dean of the Aberdeen Business School, he has extensive industry, commercial and legal experience. He is VP and General Counsel at Canadian Overseas Petroleum Limited a TSX and FTSE listed company. He has leadership and senior management experience of other London Stock Exchange listed companies (formerly at DEO Petroleum plc and at Oilexco North Sea Limited). He has also served as Executive Chairman of Peppercoast Petroleum plc and Black Star Petroleum plc.

Additional disclosures pursuant to Schedule 2 (g) of the AIM Rules:

| <u>Current Directorships</u> | <u>Previous Directorships</u> |
|---|--------------------------------------|
| SALLORK LIMITED | DEO PETROLEUM PLC |
| SALLORK (PROPERTY) LIMITED | DEO PETROLEUM U.K. LIMITED |
| SALLORK LEGAL AND COMMERCIAL CONSULTING LIMITED | DEO PETROLEUM EXPLORATION LIMITED |
| PROSPECT OIL AND GAS LIMITED | BLACK STAR PETROLEUM PLC |
| PROSPEX OIL AND GAS LTD | THE PEPPERCOAST FOUNDATION |
| ARENITE PETROLEUM LIMITED | BLACK STAR PETROLEUM GB LIMITED |
| CANADIAN OVERSEAS PETROLEUM (UK) LIMITED | PEPPERCOAST PETROLEUM PLC |
| | BLACK STAR PETROLEUM LIMITED |

William ("Bill") Hartman Smith, Non-Executive Director (aged 62)

Bill is a resident of Calgary, Alberta, Canada. He is a director of a number of listed and private companies including Orca Exploration Group (TSXV); Mosaic Capital Corporation (TSXV); Axia NetMedia Corporation (TSX); PFB Corporation (TSX). He holds a license to practice law in Alberta and is a past senior partner of McCarthy Tetrault LLP in Canada. He has extensive corporate experience including a number of start-up ventures and also in the oil and gas sector and brings an international perspective to the board.

| <u>Current Directorships</u> | <u>Previous Directorships</u> |
|-------------------------------------|--------------------------------------|
| AXIA NETMEDIA CORPORATION | SEMBIOSYS GENETICS INC |
| ORCA EXPLORATION GROUP | HUNTINGTON EXPLORATION INC |
| MOSAIC CAPITAL CORPORATION | AIS RESOURCES LTD |
| BOTANECO INC | TORVE VENTURES INC |
| CLOSING FOLDERS LTD | OILEXCO INC |

| | |
|--------------------------------|------------------------------------|
| NAUTOR PROGRESSIVE CORPORATION | SCOTOIL PETROLEUM |
| AEONIAN CAPITAL CORPORATION | BRINCO LIMITED |
| PFB CORPORATION | 3692132 CANADA INC |
| WILLIAM H SMITH CORPORATION | GOVERNANCE SCOREBOARD SERVICES LTD |
| AILERON VENTURES LTD | |

Gavin John Burnell *Non-Executive Director (aged 37)*

Gavin is a Director of Corporate Finance with Sanlam Securities UK Limited. He holds a degree in Accounting & Finance and has specialised in advising AIM and ISDX-traded smaller companies for the last thirteen years.

Gavin is a co-founder and / or director of a number of private and publicly traded entities, including Globo plc, Elephant Oil Limited, Magnolia Petroleum plc, Stratex International plc, Icen Oil and Gas Limited (sold to then TSXV-listed Bridge Resources Corp), Silvrex Limited (sold to Stratex), Sula Iron & Gold plc and Hot Rocks Investments plc. Gavin has taken a number of companies from start-up through to sale or flotation.

Additional disclosures pursuant to Schedule 2 (g) of the AIM Rules:

| <u>Current Directorships</u> | <u>Previous Directorships</u> |
|---------------------------------------|--------------------------------------|
| WOODLAND CAPITAL LIMITED | LOMBARD CAPITAL PLC |
| GLOBO PLC | STRATEX WEST AFRICA LIMITED |
| MAGNOLIA PETROLEUM PLC | SPORTS 1ST LTD |
| LIZZY BET LIMITED | SULA IRON & GOLD PLC |
| HOT ROCKS INVESTMENTS PLC | NORTH AMERICAN PETROLEUM PLC |
| HELLENIC CAPITAL PLC | IT & WEB TECHNOLOGY LIMITED |
| BERKELEY ESTATES & MANAGEMENT LIMITED | |
| RIFT RESOURCES LIMITED | |
| RUEGG & CO LIMITED | |
| ELEPHANT OIL LIMITED | |
| DATANOSTIC LIMITED | |
| GOLDCREST RESOURCES PLC | |

Additional Disclosures

Edward Dawson and Richard Mays

Edward Dawson and Richard Mays were appointed to the board of Broadway Consolidated plc Limited ("Broadway"), by RAB Capital ("RAB") acting as the investment manager of the RAB Energy Fund Limited under and in accordance with the loan agreement dated 3 November 2005 with the Broadway ("RAB Loan Agreement"). RAB Energy Fund Limited was not a shareholder at the time.

At a board meeting of Broadway which had taken place on 11 March 2010, two members of the board, Mr Stickley and Mr Townsend refused to acknowledge the validity of the appointment under the RAB Loan Agreement. As a result, RAB commenced proceedings against Broadway, seeking confirmation of the validity of the appointment. Following a court hearing which took place on 20 April 2010, the court upheld the right of appointment under the RAB Loan Agreement and Edward Dawson and Richard Mays were confirmed as appointed to the board.

In 2011 the company changed its name to Peppercoast Petroleum plc ("Peppercoast"). As directors Edward Dawson and Richard Mays led, what they perceive to be, a transformation of Peppercoast including the restructuring of debts and management. They led a refinancing of Peppercoast and appointed financial advisors to assist a strategic alternatives review. In 2011 a sale and purchase agreement was entered into in respect of the Peppercoast's asset. The transactional value of the sale and purchase was \$109m. That transaction finally completed in 2013, and the asset held by Peppercoast was transferred to Canadian Overseas Petroleum Limited

and ExxonMobil. The transaction was formally endorsed by the President and both the Congress and the Senate of Liberia. On completion, all creditors were paid, all taxes were paid, the residual funds were distributed as a capital distribution and Peppercoast entered into a members' voluntary liquidation in 2013.

During its existence there were some adverse media articles concerning Peppercoast, but these do not relate to either Edward Dawson or Richard Mays. Any criticisms of Peppercoast or its affairs relate to matters in the period prior to their involvement.

William Smith

Oilexco Inc

Mr. William Smith, was a director and officer of Oilexco Incorporated ("Oilexco") when, as a consequence of the severe disruption in the financial and commodity markets during the fall of 2008, it filed for protection under the Companies Creditors' Arrangement Act (Canada) on or about February 5, 2009. At about the same time its wholly-owned subsidiary in the United Kingdom (of which Mr. Smith was also a director and officer) filed for administration for the benefit of its creditors. Oilexco was subsequently suspended from trading by the TSX-V in September, 2009. ScotOil Petroleum Limited, the successor to Oilexco, was subject to cease trade orders issued by the Alberta, British Columbia and Ontario securities commissions in March 2010 for failure to file financial statements. In addition, the directors of Oilexco, including Mr. Smith, were reprimanded by the TSX-V based on the TSX-V finding that Oilexco ought to have issued certain press releases when it was insolvent.

SemBioSys Genetics

Mr. William Smith was a director of SemBioSys Genetics Inc. ("SemBioSys") a listed Canadian company which was developing technology to manufacture insulin in genetically modified plants. The company was approached by a Chinese company Tasly Pharmaceuticals, Ltd of Tianjin, China ("Tasly") which is one of China's top 5 producers of Chinese Medicines. However, shortly before the deal was finalised Tasly withdrew from the arrangement. SemBioSys was struggling financially and Mr. Smith and other directors resigned from the board. Shortly thereafter, a secured creditor, being the main investor, in an effort to protect his investment was granted a court order to enforce his security and remove specific secured assets from SemBioSys. SemBioSys was not placed into administration however there was an orderly liquidation of its other assets and the funds realized were distributed to the other creditors.

Mr. William Smith was previously a director of Brinco Limited and 3692132 Canada Inc. These companies ceased to trade in 1996 and 1999 respectively with all assets and liabilities assumed by the parent companies. The companies subsequently became dormant and were struck off the Canadian corporate registry in each of March 2000 and June 2004 as they had ceased to file annual registration forms.

In addition, Mr. William Smith was previously a director of Governance Scoreboard Services Limited. This company never traded or had any assets or liabilities and accordingly was treated as dormant. In 2004, this company was struck off the Canadian corporate registry as it had not filed an annual registration form.

Directors' Interests in the Subscription Shares and Proposed Remuneration Package

The New Directors have participated in the Subscription, and their interest in the Enlarged Share Capital is as follows:

| Proposed Director | Number of Subscription Shares | Percentage of the Enlarged Share Capital |
|-------------------|-------------------------------|--|
| Richard Mays* | 1,311,474 | 3.21% |
| Gavin Burnell | 820,000 | 2.01% |
| Edward Dawson | 1,639,344 | 4.02% |
| Bill Smith | 1,639,344 | 4.02% |

* 983,606 Ordinary Shares are held through Sallork Limited, a company controlled by Matthew James Mays, a child of Richard Mays

New Directors Remuneration Package

Each of the New Directors will enter into a letter of appointment with the Company pursuant to which they will each be appointed as non-executive directors of the Company for an initial term of one year and that they will each be paid £12,000 per annum, monthly in arrears; other than Edward Dawson who will be appointed as an executive director for an initial term of one year and will be paid £102,000 per annum, monthly in arrears. In addition, the New Directors have been issued options over a total of 5.66% of the issued share capital of the Company (as set out below) exercisable at the Subscription Price at any time for a period of ten years.

| Proposed Directors | Number of Options over Ordinary Shares | Percentage of the Enlarged Share Capital |
|--------------------|--|--|
| Richard Mays | 541,726 | 1.33% |
| Gavin Burnell | 541,726 | 1.33% |
| Edward Dawson | 680,212 | 1.67% |
| Bill Smith | 541,726 | 1.33% |

Investing Policy

The Company's new Investing Policy is to invest in and/or acquire companies and/or projects within the natural resources and/or energy sector with potential for growth and/or income. The Company may also directly apply for new exploration licences or invest in existing licences. It is anticipated that the geographical focus will primarily be Europe, however, investments may also be considered in other regions to the extent that the New Directors consider that valuable opportunities exist and returns can be achieved.

In selecting investment opportunities, the New Directors will focus on businesses, assets and/or projects that are available at attractive valuations and hold opportunities to unlock embedded value. Where appropriate, the New Directors may seek to invest in businesses where it may influence the business at a board level, add their expertise to the management of the business, and utilise their significant industry relationships and access to finance; as such investments are likely to be actively managed.

The Company's interests in a proposed investment and/or acquisition may range from a minority position to full ownership and may comprise one investment or multiple investments. The proposed investments may be in either quoted or unquoted companies; be made by direct applications, acquisitions or farm-ins; and may be in companies, partnerships, earn-in joint ventures, debt or other loan structures or direct or indirect interests in assets, projects or licences. The New Directors may focus on investments where intrinsic value can be achieved from the restructuring of investments or merger of complementary businesses.

The New Directors expect that investments will typically be held for the medium to long term, although short term disposal of assets cannot be ruled out if there is an opportunity to generate an attractive return for Shareholders. The New Directors will place no minimum or maximum limit on the length of time that any investment may be held.

There is no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover under the AIM Rules. The New Directors intend to mitigate risk by appropriate due diligence and transaction analysis. Any transaction constituting a reverse takeover under the AIM Rules will also require Shareholders' approval. The New Directors consider that as investments are made, and new promising investment opportunities arise, further funding of the Company may also be required.

Where the Company builds a portfolio of related assets it is possible that there may be cross holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The New Directors may also offer new Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

The New Directors will conduct initial due diligence appraisals of potential business or projects and, where they believe further investigation is warranted, intend to appoint appropriately qualified persons to assist. The Proposed Directors believe they have a broad range of contacts through which they are aware of various opportunities which may prove suitable, although at this point only preliminary due diligence has been undertaken. The New Directors believe their expertise will enable them to determine quickly which opportunities could be viable and so progress quickly to formal due diligence. The Company will not have a separate investment manager. The Company proposes to carry out a comprehensive and thorough project review process in which all material aspects of a potential project or business will be subject to rigorous due diligence, as appropriate. Due to the nature of the sector in which the Company is focused it is unlikely that cash returns will be made in the short to medium term; rather the Company expects a focus on capital returns over the medium to long term.

Admission to Trading on AIM

Application has been made for the 5,447,700 New Ordinary Shares being created as a result of the Share Capital Reorganisation and the 35,283,591 New Ordinary Shares being issued as a result of the Subscription, to be admitted to AIM and admission is expected to occur on 15 April 2015 ("Admission").

On Admission the Company will have in issue a total of 40,731,291 Ordinary Shares of £0.01 each. There are no shares held in treasury, therefore the total number of voting rights in the Company will be 40,731,291. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest under the Disclosure and Transparency Rules.

The Company's Ordinary Shares' ISIN and SEDOL will be changed to GB00BW4NPC58 and BW4NPC5

Definitions

The following definitions apply throughout the Circular and this Announcement unless the context requires otherwise:

"Admission" the New Ordinary Shares to be admitted to AIM which is expected to occur on 15 April 2015;

"AIM" the market of that name operated by the London Stock Exchange;

"AIM Rules" the AIM Rules for Companies whose securities are admitted to trading on AIM, as published by the London Stock Exchange from

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| | time to time; |
| "CAR" | Central Asia Resources Limited, a company incorporated in England and Wales with company number 07344366 and wholly owned by the Company; |
| "Circular" or "Document" | the document to be dispatched to shareholders dated 19 March 2015; |
| "Company" or "Premier" | Premier Gold Resources plc, a company registered in England and Wales with registered number 03896382; |
| "Consolidation Shares" | the Consolidation Shares of £25 each created by Resolution 2 to be proposed at the General Meeting; |
| "Convertible Loan Agreement" | the convertible loan agreement signed between the Company and Tridevi Capital Partners (I) LP dated 2 July 2013, for the provision of £1 million secured on the issued shares of CAR; |
| "Creditors" | existing creditors of the Company, including those creditors of other members of the Group that are to be treated as creditors of the Company under the terms of the CVA; |
| "Creditors Meeting" | the meeting of Creditors to be convened at Peterhouse Corporate Finance Limited at 11:00 a.m. on 14 April 2015 pursuant to the CVA; |
| "CVA" | a Company Voluntary Arrangement, pursuant to Part 1 of the Insolvency Act 1986, details of which are set out in this Document and a Directors' proposal document made available to Creditors and Shareholders dated 19 March 2015; |
| "Disposal" | the proposed disposal of the entire issue share capital of CAR to Tridevi Capital Partners (I) LP in full settlement of the Convertible Loan Agreement; |
| "Enlarged Share Capital" | the Existing Ordinary Shares and the Subscription Shares (and the Existing Deferred Shares and New Deferred Shares) in issue immediately following the issue of Ordinary Shares as approved in the General Meeting; |
| "Existing Deferred Shares" | the existing 942,462,000 shares of 0.1p each; |
| "Existing Options" | all options previously issued by the Company from time to time; |
| "Existing Ordinary Shares" | Ordinary Shares of £0.001 each in the capital of the Company; |
| "Existing Shareholders" | holders of Ordinary Shares at the Record Date; |
| "FCA" | the Financial Conduct Authority; |
| "Form of Proxy" | the form of proxy accompanying the Circular for use at the General Meeting; |
| "General Meeting" | the General Meeting of Shareholders to be held at 11:30 a.m. on 14 April 2015 at the offices of Peterhouse Corporate Finance Limited, 3rd Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD; |
| "Group" | the Company, CAR and Premier Asia Resources LLC; |
| "Investing Policy" | the proposed new investing policy of the Company as required by the AIM Rules and as set out in the Circular; |
| "London Stock Exchange" | the London Stock Exchange Group PLC; |
| "New Deferred Shares" | the 54,477 A Deferred Shares of £24 each created as part of the Share Capital Reorganisation; |
| "New Directors" | Edward Dawson, Richard Mays, Bill Smith and Gavin Burnell whose details are set out above. |
| "Ordinary Shares" | ordinary shares in the capital of the Company, from time to time; |
| "New Options" | the adjusted number of options, previously issued by the Company from time to time, with an adjusted exercise price as a result of the Share Capital Reorganisation; |
| "New Ordinary Shares" | ordinary shares of £0.01 each in the capital of the Company, following the Share Capital Reorganisation; |

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| "Peterhouse" | Peterhouse Corporate Finance Limited, a company incorporated in England and Wales with company number 02075091 (authorised by the FCA with firm reference number 184761); |
| "Premier Asia" | Premier Asia Resources LLC a company incorporated in the Kyrgyz Republic with company number 115598-3300-000 |
| "Proposals" | The proposals set out in this Circular, whereby Shareholders are being asked to consider and, if thought fit, approve namely (i) the Company Voluntary Arrangement; (ii) the terms of the Disposal, (iii) the adoption of an Investing Policy, (iv) the Share Capital Reorganisation (v) the change of name of the Company to Prospex Oil and Gas Plc , (vi) the authority to allot New Ordinary Shares and (vii) the dis-application of pre-emption rights; |
| "Record Date" | 14 April 2015, the date of the General Meeting; |
| "Resolutions" | the resolutions set out in the notice of General Meeting contained within the Circular; |
| "Settlement Deed" | the conditional agreement between the Company and Tridevi where subject to the passing of Resolutions numbered 1, 2, 3, 4, 5, 6 and 12 prior to 30 April 2015, Tridevi will accept the transfer of the shares in CAR in full and final settlement of all liability under the Convertible Loan Agreement, Tridevi will also pay the Company £50,000 and waive any right it has to participate in the CVA; |
| "Shareholders" | holders of Ordinary Shares in the Company from time to time; |
| "Shareholders' CVA Meeting" | a meeting of the Shareholders, called pursuant to section 3 of the Insolvency Act 1986 (as amended) to consider the CVA to be convened immediately following the Creditors' Meeting on 14 April 2015; |
| "Share Capital Reorganisation" | the share reorganisation as described in this Circular; |
| "Share Subdivision" | the subdivision of the Consolidation Shares as part of the Share Capital Reorganisation; |
| "Sterling" or "£" | the lawful currency of the UK; |
| "Subscriber" | the subscribers for the Subscription Shares; |
| "Subscription" | the conditional subscription of the Subscription Shares at the Subscription Price; |
| "Subscription Price" | £0.0305 (or 3.05 pence each) per New Ordinary Share; |
| "Subscription Shares" | the £0.01 New Ordinary Shares to be issued by the Company pursuant to the Subscription; |
| "Tridevi" | Tridevi Capital Partners (I) LP incorporated and registered in the Republic of Seychelles with certificate number LP0023; |
| "UK" or "United Kingdom" | the United Kingdom of Great Britain and Northern Ireland; |
| "US" or "United States" | the United States of America, its territories and possessions, any states of the United States of America and the District of Columbia and all other areas subject to its jurisdiction; |
| "WH Ireland" | WH Ireland Limited, the Company's Nominated Adviser. |

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