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# Proposed Reorganisation of Share Capital

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28 January 2015

**Galileo Resources Plc**  
**("Galileo" or "the Company")**

## **Proposed Reorganisation of Share Capital**

### Proposed Reorganisation

The Ordinary Shares have in recent months frequently been trading on AIM at a price below their nominal value of 5 pence per share. English company law prohibits the issue of new shares by an English company at a price below their nominal value and accordingly the ability of the Company to raise funds by way of the issue of further equity has been inhibited.

Accordingly the Directors are seeking Shareholders' authority to implement the Proposed Reorganisation to create a differential between the nominal value of the Ordinary Shares and their market price to facilitate future share issues.

To give effect to the Proposed Reorganisation the Articles will need to be amended to make changes to allow the creation of the Deferred Shares. These amendments will also require Shareholders' approval at the General Meeting.

Details of the Proposed Reorganisation and the proposed amendments to the Articles are set out below.

### *Share Capital Reorganisation*

As at 27 January 2015, being the latest practicable date prior to the publication of this document, the total issued share capital of the Company was £5,725,136.05 divided into 114,502,721 Existing Ordinary Shares.

It is proposed that in relation to the Company's share capital to effect the Reorganisation, that:

- (a) each of the 114,502,721 Existing Ordinary Shares will be subdivided into one New Ordinary Share of 0.1 pence and one Deferred Share of 4.9 pence each.

### *Ordinary Shares*

As a consequence of, and immediately following, the Proposed Reorganisation becoming effective each Shareholder's holding of New Ordinary Shares will be the same as the number of Existing Ordinary Shares held by them on the Record Date. Therefore, each Shareholder's proportionate interest in the Company's issued ordinary share capital will, and thus the aggregate value of their holding should, remain unchanged as a result of the Proposed Reorganisation.

The New Ordinary Shares will continue to carry the same rights as attached to the Existing Ordinary Shares. The Deferred Shares will carry the rights as set out in the Articles and as summarised below.

The last day of trading on AIM in the Existing Ordinary Shares is expected to be 13 February 2015.

If approved, following the Proposed Reorganisation becoming effective taking into account Admission as set out above, and assuming no shares are issued between 27 January 2015 (being the latest practicable date prior to the printing of this document) and the date the Proposed Reorganisation becomes effective (expected to be 8.30 am 16 February 2015), the Company's issued ordinary share capital will still comprise 114,502,721 New Ordinary Shares.

If the Proposed Reorganisation is approved, the New Ordinary Shares will be admitted to trading on AIM.

**No new share certificates representing the New Ordinary Shares will be sent to Shareholders who hold Existing Ordinary Shares in certificated form.** Accordingly, share certificates for the Existing Ordinary Shares will remain valid, and will only be replaced by share certificates for New Ordinary Shares when the old share certificates are surrendered for cancellation following the transfer, transmission or other disposal of New Ordinary Shares.

Shareholders who hold their Existing Ordinary Shares in uncertificated form through CREST should expect to see the security description updated for the existing ISIN number (**GB00B115T142**), in order to reflect their holding in New Ordinary Shares on 16 February 2015.

#### *Deferred Shares*

The Deferred Shares created will be effectively valueless as they will not carry any rights to vote or dividend rights. In addition, holders of Deferred Shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of Ordinary Shares have received a payment of £1,000,000 on each such share. The Deferred Shares will not be traded on AIM or listed and will not be transferable without the prior written consent of the Board. **No share certificates will be issued in respect of the Deferred Shares, nor will CREST accounts of shareholders be credited in respect of any entitlement to Deferred Shares.**

#### *Changes to the Articles*

In connection with the Proposed Reorganisation the Company also proposes to amend the Articles to include the rights and restrictions attaching to the Deferred Shares, as set out above.

#### *General Meeting*

This General Meeting will be held at the offices of Fasken Martineau LLP, Third Floor, 17 Hanover Square, London, W1S 1HU at 11.30 am on 13 February 2015. Full details of the meeting and the proposed Resolution that will be put to Shareholders are set out in the Notice of Meeting attached to the Circular to Shareholders being posted today.

#### *Recommendation*

The Directors unanimously recommend that Shareholders vote in favour of the proposed Resolution, as they propose to do in respect of their total holdings of 45,900,000 Ordinary Shares representing 40.08% of the ordinary share capital of the Company.

For further information, please contact:

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## APPENDICES

### Appendix 1

#### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Date
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.30 am 11 February 2015
Time and date of General Meeting	11.30 am 13 February 2015
Latest time and date for dealings on AIM in Existing Ordinary Shares	5.00 pm 13 February 2015
Record Date for the Proposed Reorganisation	5.00 pm 13 February 2015
Expected date of Admission of New Ordinary Shares	16 February 2015

#### Notes

1 Each of the times and dates in the above timetable is based on current expectations and is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service.

2 All references in this document to times are to London times.

### Appendix 2

#### DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context otherwise requires:

"Admission"	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
"Articles "	the articles of association of the Company;
"AIM"	the market operated by the London Stock Exchange;
"AIM Rules"	the rules for AIM companies as issued by the London Stock Exchange, from time to time;
"General Meeting"	the general meeting of the Company to be held at the offices of Fasken Martineau LLP, Third floor, 17 Hanover Square, London, W1S 1HU at 11.30 am on Friday 13 February 2015, or any adjournment thereof
"Board"	the board of directors of the Company;
"Company"	Galileo Resources Plc;
"Deferred Shares"	the Deferred Shares of 4.9 pence each arising from the Proposed Reorganisation;
"Directors"	the directors of the Company;
"Existing Ordinary Shares"	the existing issued ordinary shares of 5 pence each in the capital of the Company;
"Form of Proxy"	the form of proxy for use by holders of Existing Ordinary Shares accompanying this document for use in connection with the General Meeting;
"New Ordinary Shares"	the proposed new ordinary shares of 0.1 pence each in the share capital of the Company resulting from the Reorganisation;
"Ordinary Shares"	prior to the Reorganisation, the Existing Ordinary Shares and, thereafter, the New Ordinary Shares;
"Proposed Reorganisation"	the proposed reorganisation to be effected by dividing each Existing Ordinary Share in issue into one New Ordinary Share and one Deferred Share;
"Record Date"	5.00 pm on the day of the General Meeting;
"Resolution"	the special resolution to be proposed at the General Meeting in order to give effect to the Proposed Reorganisation;
"Shareholders"	the holders of Ordinary Shares at the Record Date.

This information is provided by RNS

The company news service from the London Stock Exchange

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