

RNS Number : 9862C
Paternoster Resources PLC
26 January 2018

26 January 2018

Paternoster Resources plc

("Paternoster" or the "Company")

Strategic update and cost reduction

On 18 January 2018, the Company announced that it had entered into an agreement with RiverFort Global Capital Ltd ("RiverFort"), the specialist provider of financing to the natural resources sector, whereby Paternoster will work closely with and co-invest alongside RiverFort in a range of opportunities within the natural resources sector. At the same time, the Company also implemented a successful placing to raise £850,000 of new funds from both institutional and private investors to invest in this enhanced strategy. Paternoster is now pleased to announce that the Board has already started to implement the first steps of this strategy which include a reduction in costs.

In order to increase potential returns to investors, it is important for the Company to balance maximising the pipeline of high quality investment opportunities that it sees and is able to invest in whilst, at the same time, keeping control of costs. The agreement with RiverFort will both enable greater access to investment opportunities but will also allow certain corporate costs to be reduced. Against this background, the Board has already reviewed the Company's cost structure and has concluded that corporate costs can now be reduced, particularly with regard to personnel and infrastructure costs. Specific initiatives have now already been implemented and, based on the current size of the portfolio, it is expected that overall administration costs will be reduced to an annual cost of below £200,000 - a significant reduction of around 40% on historic levels. The Board has also agreed to cancel all outstanding option arrangements.

Nicholas Lee, Chairman said:

"The Board is focused on rapidly implementing the Company's enhanced strategy in order to improve returns to investors and I am pleased to announce that progress is already being made on this, starting with a reduction in costs."

For more information please contact:

Paternoster Resources plc: +44 20 7580 7576
Nicholas Lee, Chairman

Nominated adviser: +44 20 7628 3396

Beaumont Cornish
Roland Cornish

Joint broker: +44 20 7186 9950
Shard Capital Partners LLP
Damon Heath
Erik Woolgar

Joint Broker: +44 20 7562 3351
Peterhouse Corporate Finance
Lucy Williams

PR:
Cassiopeia Services +44 7949 690338
Stefania Barbaglio

This information is provided by RNS
The company news service from the London Stock Exchange