

MINING FLASHNOTE

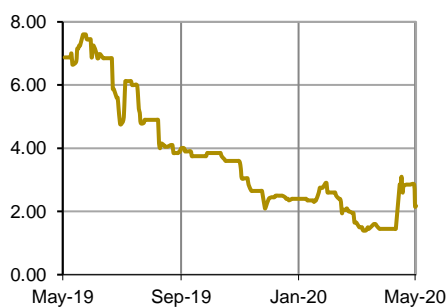
Fox Marble Holdings (FOX LN)

28 May 2020

Stock Data

Share Price:	2.15p
Market Cap (M):	£5.67
EV (M):	£8.41

Price Chart



52 Week Range

7.69p		2.15p
1.30p		

Company Summary

Fox Marble Holdings plc is a natural stone extraction company operating in Kosovo and the Balkans region. The Company is currently extracting blocks from the Cervenilla, Malesheva, Prilep and Syrigane quarries and operating a cutting and polishing plant in Kosovo.

MAIN SHAREHOLDERS	HOLDING
Andrew Muir	13.44%
Albani Etrur	8.56%
Premier Milton Group Plc	8.36%
Christopher Gilbert	8.14%
Shailesh Patil	7.25%
Artemis Investment Management	5.14%

Source: Bloomberg and Fox Marble Holdings

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Fox Marble announces conditional placing to raise £0.8M and reschedules CULN's

The Event

Fox Marble has announced a conditional placing of 45,714,292 new Ordinary Shares ("Placing Shares") at a price of 1.75 pence per share through to raise c.£0.8M before expenses. Warrants over new ordinary shares will be issued on the basis of one for every two Placing Shares, exercisable at a price of 3.5p per share, representing a 100% premium to the Placing Price, for 18 months, conditional, inter alia, on the General Meeting (as detailed below).

Comment

This placing is conditional on shareholders giving the directors authorities to issue new ordinary shares on a non-pre-emptive basis. To achieve this a General Meeting of shareholders will be convened.

The Company has also reached agreement with the holders of £2.1M of its cumulative unsecured loan notes ("CULN's"). Under this agreement the Company will replace the eight existing series of CULNs with a new single class of CULN which will have a maturity date of 1 December 2026 and will be convertible at any date from 1 June 2020 at a conversion price of 5p per share. The interest rate of the new CULN is 2% per annum payable half yearly on 1 June and 1 December.

In order to conserve cash, the Directors of the Company have agreed to utilise their accrued fees to subscribe for new Ordinary Shares in the Company. The Non-Executive Directors will do this for the duration of 2020 whilst the Executive Directors will do this until such point as operations affected, as a result of COVID-19, return to normal. The number of Ordinary Shares subscribed for will be calculated quarterly in arrears and with reference to the 30 day volume weighted average price at the end of the quarter. The value of fees to be applied to the subscription for shares, including fees accrued to date, is expected to be approximately £230,000, depending on the length of the current Covid-19 related operational slowdown. A further announcement will be made later in the year when the subscription takes place.

The Company intends to use the net proceeds from the Placing to provide working capital for the medium term and to enable the Company to fund the previously announced business strategy of:

- Growing factory sales of processed marble within Kosovo and the greater Balkans area;
- Increasing block sales to China and other large block markets;
- Growing the Company's marble reserves base and opening new quarries in Kosovo as demand increases once the worst effects of the current pandemic subsides; and
- Developing the Company's sales and marketing activities.

A circular, convening a General Meeting at 10.00 a.m. on 15 June 2020 to grant the Board authority to allot the Placing Shares for cash on a non pre-emptive basis, will be sent to Shareholders today and will be available for download from the Company's website at www.foxmarble.net.

Third Party Transaction

Andrew Muir, who, prior to the Placing, has an interest over 35,306,113 ordinary shares (13.44%) is a substantial shareholder in the Company and is therefore deemed to be a related party pursuant to the AIM Rules. Andrew Muir is subscribing for 3,428,572 Placing Shares at the Placing Price.

The participation of Mr Muir in the Placing is a related party transaction pursuant to AIM Rule 13 ("the Transaction") as he is a substantial shareholder. The Directors, all of who are independent of the Transaction, consider, having consulted with the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as shareholder are concerned.

Postponement of Annual Report & Accounts

Due to the current COVID-19 outbreak, the Company will be unable to post its annual audited accounts to shareholders for the year to 31 December 2019 by the 30 June 2020 deadline pursuant to AIM Rule 18.

Consequently, Fox-Marble has been granted an extension by Companies House until 30 September 2020.

Research Disclosures

Peter Rose

Peter has 34 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

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Research disclosure as of 28 May 2020

<u>Company Name</u>	<u>Disclosure</u>
Fox Marble Holdings (FOX LN)	1, 2, 3, 7, 8, 9

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