



## Stock Exchange Announcement

Date: 24<sup>th</sup> October 2007  
On behalf of: Target Resources plc

### **Target Resources plc (“Target” or the “Company”)**

### **US\$ 16.4 million fundraising comprised of US\$ 11.4 million in new equity and US\$ 5 million five-year debt**

Target Resources plc (AIM:TGT), the alluvial diamond and gold mining company operating in Sierra Leone, today announces a conditional placing and subscription of new shares to raise gross proceeds of £5.6 million (the “Fundraising”) as well as the signing of the US\$5 million (approximately £2.45 million) five year unsecured loan (“the Loan”) from, and an exclusive ten year marketing agreement with, Tiffany & Co (“Tiffany”), which were previously announced on 17<sup>th</sup> September 2007. Draw down of the Loan is expected by 29<sup>th</sup> October 2007.

The combined net proceeds of the Fundraising and the Loan, which will be approximately US\$ 15.3 million (£7.5 million), will principally be used to acquire the mining equipment and infrastructure which the Company and MinEx Group (“MinEx”) have agreed are necessary to execute the Company’s detailed mining plan for its existing 4,200 acre diamond leases in Sierra Leone (the “Mining Plan”).

#### **Commenting on the Fundraising and Tiffany Loan, Dr Nissim Levy, Managing Director, said:**

*“We are delighted with the interest shown by investors in the Fundraising. Target now has the resources, team and skills in place to deliver its plan and maximise the full potential of its existing leases in Sierra Leone. We are particularly pleased to welcome Tiffany, one of the world’s most prestigious diamond retailers, as a strategic partner of Target.”*

The Fundraising comprises 17,142,855 new ordinary shares of 1 pence each which have been conditionally placed by Arbuthnot Securities Limited to new and existing institutional investors, at a placing price of 21 pence per ordinary share as well as a direct subscription for a further 9,523,809 new ordinary shares of 1 pence at the same price (together the “New Shares”). The placing price represents a discount of 6.7 per cent to the closing middle market price of 22.5 pence on 23<sup>rd</sup> October 2007, being the last practicable dealing day prior to the date of this announcement. The New Shares will represent approximately 23 per cent of the enlarged share capital of the Company.

Application has been made to the London Stock Exchange for the New Shares to be admitted to trading on AIM (“Admission”), which is expected to occur on Thursday, 25<sup>th</sup> October 2007. The New Shares will, upon Admission, rank pari passu with the existing issued ordinary shares of 1 pence each in the share capital of the Company. The Fundraising is conditional, inter alia, on the Admission of the New Shares to AIM becoming effective.

Upon Admission, the Company’s enlarged share capital will comprise 118,375,496 ordinary shares with voting rights. The Company does not hold any shares in treasury. This figure of 118,375,496 ordinary shares 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 in their interest in, the share capital of the Company under the FSA’s Disclosure and Transparency Rules.

The Loan is repayable in a single installment five years after drawdown, and contains representations, warranties and events of default which are usual for a facility of this type.

PC One LLP, a partnership in which Peter O’Kane, a non-executive director of Target, has a 20 per cent interest, is receiving a placing commission of £100,000 in relation to investment which it secured in the Fundraising (“the Transaction”). This is not an additional fee but is being paid to PC One LLP in place of a full commission being paid to the Company’s broker. PC One LLP is considered by the Company’s directors, including Peter O’Kane, to be a related party of the Company under the AIM Rules.

The Directors consider the commission to PC One LLP to be fair and reasonable in the light of the contribution of PC One LLP to the overall success of the Fundraising. The Directors of Target (with the exception of Peter O’Kane) therefore consider, in the circumstances, having consulted with its nominated adviser, that the terms of the Transaction are fair and reasonable insofar as its shareholders are concerned.

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### **About Target**

- Target is an alluvial diamond mining and exploration company operating in Sierra Leone.
- The Company’s shares were admitted to AIM in July 2006.
- Target is among the first large scale mining ventures to be established in Sierra Leone since the end of the civil war in 2002.
- The Group has 4,263 acres (17.25 km<sup>2</sup>) under mining leases in the rich diamond and gold area of Kono, which is recognised as the most productive area for diamond mining in Sierra Leone.

### **Target Resources Plc**

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