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Catalpa to raise \$20m, restructures debt 16-March-10 by Edited announcement

Explorer Catalpa Resources plans to raise \$20 million with part of the funds to be directed towards a restructure of an existing debt facility with Macquarie Bank.

The West Perth-based explorer said it will raise \$10 million through a share placement to two investors, one in North America, with shares priced at \$1.32.

A further \$10 million is planned to be raised through a one-for-19 rights issue. Shares will be priced at \$1.25 each.

Catalpa has also struck an agreement with Macquarie to convert a \$10 million mezzanine loan facility into the existing project loan facility. Under that deal, Macquarie had agreed to forgo its entitlement to 6.06 million Catalpa option that were exercisable at 82.5c each, in exchange for the placement of 500,000 shares.

Funds from the capital raisings will also be used to accelerate exploration activity at Catalpa's Edna May gold project, in WA's Wheatbelt region.