

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

Cluff Natural Resources Plc / Index: AIM / Epic: CLNR / Sector: Natural Resources

4 November 2016

Cluff Natural Resources Plc ('CLNR' or 'the Company')

Results of placing and subscription

Placing and subscription to raise £1.8m

Further to the announcement made earlier today, Cluff Natural Resources Plc, the AIM quoted natural resources investing company, is pleased to announce a placing (the "**Placing**") and subscription (the "**Subscription**") (together the "**Placing and Subscription**") of a total of 72,000,000 new ordinary shares to raise a total of £1.8 million (before expenses) in two tranches. All new ordinary shares are to be issued at a price of 2.5 pence per new ordinary share (the "**Placing and Subscription Price**").

A total of 64,976,080 new ordinary shares are to be issued in the Placing (the "**Placing Shares**"). The Placing Shares will be issued in two tranches, with 35,376,080 new ordinary shares (£884,402) being conditional, *inter alia*, on the approval of shareholders at a general meeting of the Company to be held on 24 November 2016 (the "**General Meeting**"), of a resolution to provide authority to the Directors to issue and allot further new ordinary shares otherwise than on a non-pre-emptive basis pursuant to the Placing and Subscription (the "**Resolution**"), further details of which are set out below.

A total of 7,023,920 new ordinary shares (£175,598) are to be issued pursuant to the Subscription (the "**Subscription Shares**"). All Subscription Shares are to be issued conditional, *inter alia*, on the approval of the Resolution by shareholders.

A number of the Company's current significant shareholders have participated in the Placing and the Subscription. The Company's Chairman and Chief Executive, Algy Cluff, has participated in the Subscription.

Further details regarding the background to and reasons for the Placing and Subscription, a potential Board appointment and other matters can be found in the Company's announcement made earlier today and in a circular (the "**Circular**"), which will include a notice convening the General Meeting, which is intended to be posted to Shareholders on or around 7 November 2016. This announcement should be read in conjunction with the full text of the Circular, when available.

Details of the Placing and Subscription

The Placing is being conducted in two tranches. A total of £740,000, representing the issue of 29,600,000 Placing Shares (the "**First Tranche Shares**"), has been raised within the Company's existing share allotment authorities. Application will be made for the First Tranche Shares to be admitted to trading on AIM and it is expected that their admission to AIM will take place on or around 21 November 2016 ("**First Admission**"). The issue of the First Tranche Shares is conditional only upon First Admission.

The balance of the Placing and the entire Subscription, being in aggregate £1,060,000 and representing the issue of 42,400,000 new ordinary shares (the "**Second Tranche Shares**") is conditional upon, *inter alia*, the passing of the Resolution at the General Meeting and First Admission. Application will be made for the Second Tranche Shares to be admitted to trading on AIM ("**Second Admission**") and it is expected that Second Admission will take place on or around 29 November 2016.

Provided that the Resolution is approved at the General Meeting, once fully completed the Placing and Subscription as a whole will result in the issue of 72,000,000 new ordinary shares, representing, in aggregate, approximately 21.9 per cent. of the Company's issued ordinary share capital as enlarged by the Placing and Subscription. First Admission is not conditional on Second Admission completing. Neither the Placing nor the Subscription is being underwritten.

The Placing Shares and the Subscription Shares, when duly issued and fully paid, will rank *pari passu* in all respects with the Company's existing ordinary shares, including the right to all dividends or other distributions declared, made or paid after the date of issue.

The Placing and Subscription Price represents a discount of approximately 31.5 per cent. to the closing middle market price of an ordinary share of 3.65 pence on 3 November 2016, being the latest practicable closing middle market price prior to the announcement of the Company's intention to perform the Placing and Subscription.

General Meeting and Circular

A General Meeting of the Company is to be convened to be held at the offices of K&L Gates LLP, One New Change, London EC4M 9AF at 11.00a.m. on 24 November 2016. In addition to the Resolution, which will provide authority to the Directors to issue and allot further new ordinary shares otherwise than on a non-pre-emptive basis pursuant to the Placing and Subscription, resolutions will also be proposed to renew the Directors' general authority to allot equity securities and to disapply statutory pre-emption rights in respect of the issue of a limited number of additional equity securities.

Details regarding the Placing and Subscription, the background to and reasons for the Placing and Subscription, a proposed Board change, the Resolution and the General Meeting will be contained within the Circular (which will include a notice convening the General Meeting), which is intended to be posted to Shareholders on or around 7 November 2016 and will also be made available at that time on the Company's website, www.cluffnaturalresources.com.

Director participation

The Company's Chairman and Chief Executive, Algy Cluff, has participated in the Subscription on identical terms to the other subscribers. Mr Cluff, has agreed to subscribe for 1,000,000 Subscription Shares at a cost of £25,000 conditional upon, *inter alia*, the passing of the Resolution.

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them in accordance with the requirements of the EU Market Abuse Regulation can be found below.

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	John Gordon Cluff
2	Reason for the notification	
a)	Position/status	Director - Chairman and Chief Executive
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Cluff Natural Resources Plc
b)	LEI	Not available
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument	Ordinary shares of 0.5p each in Cluff Natural Resources Plc
	Identification code	Identification code (ISIN) for Cluff Natural Resources Plc ordinary shares: GB00B6SYKF01
b)	Nature of the transaction	Purchase of shares
c)	Price(s) and volume(s)	Price(s)
		Volume(s)
		2.5p per ordinary share
		1,000,000 ordinary shares purchased
d)	Aggregated information - Aggregated volume - Price	N/A - single transaction as in 4 c) above
e)	Date of the transaction	4 November 2016
f)	Place of the transaction	Outside of trading venue - conditional issue of new ordinary shares

Total Voting Rights

Upon First Admission, following the issue of the First Tranche Shares, the Company's issued ordinary share capital will consist of 286,993,532 ordinary shares, with one voting right each. The Company does not hold any ordinary shares in treasury. Therefore the total number of ordinary shares and voting rights in the Company will be 286,993,532. With effect from First Admission, this figure 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 to their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Following First Admission and assuming that the Resolution is passed at the General Meeting and Second Admission takes place, the Company's issued ordinary share capital will consist of 329,393,532 ordinary shares, with one voting right each.

Important notice

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

This announcement does not constitute, or form part of, a prospectus relating to the Company, nor does it constitute or contain any invitation or offer to any person, or any public offer, to subscribe for, purchase or otherwise acquire any shares in the Company or advise persons to do so in any jurisdiction, nor shall it, or any part of it form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment with the Company.

The content of this announcement has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("FSMA").

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States. This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, the Republic of South Africa, Japan or any jurisdiction where to do so might constitute a violation of local securities laws or regulations (a "**Prohibited Jurisdiction**"). This announcement and the information contained herein are not for release, publication or distribution, directly or indirectly, to persons in a Prohibited Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction. This announcement has been issued by and is the sole responsibility of the Company.

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****ENDS****

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