

Kagara takes stake in Glengarry

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KAGARA Zinc will chip in over \$4.3 million into Glengarry Resources via a share placement, with the latter company to use the funds to fast track exploration at its Maitland copper-molybdenum deposit.

Kagara has agreed to subscribe to 35 million Glengarry shares for 12.5c each, which will be escrowed for 12 months from the date of issue.

The subscription price represents a 25% premium to Glengarry's closing price of 10c yesterday, however news of the placement saw the company's share price jump 45% to a high of 14.5c before cooling to 14c at lunchtime trading today.

The placement will boost Glengarry's cash reserves to \$10 million and allows the company to expand exploration efforts on its Australian projects.

Glengarry said a large portion of the funds will be used to fast track resource definition and related activities at Maitland, which is near Kagara's Balcooma copper-zinc-lead mine in Queensland.

Under the placement agreement between the two companies, Kagara will help Glengarry with logistical aspects of ongoing exploration and resource assessment at Maitland.

Drilling at Maitland, which is within Glengarry's Greenvale project, will re-start as soon as drill rigs are secured.

In June, Glengarry recorded its best intersection at Maitland of 57m at 2.58% copper from 75m depth including 13m at 6.31% copper from 104m.

Shares in Kagara were down 4c to \$5.96 at lunchtime today.



Drilling at Glengarry Resources Maitland prospect in Northern Queensland

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