

Timmins Gold completes \$14.3-million second tranche

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Mr. Arturo Bonillas reports

TIMMINS GOLD CORP.: \$14,300,000 SECOND TRANCHE OF PRIVATE PLACEMENT CLOSED

Further to news in Stockwatch on May 29, 2008, Timmins Gold Corp. has closed the second tranche of \$14.3-million from the \$19.3-million private placement with the Pacific Road Resources Funds.

The second tranche consisted of 11 million special warrants at a price of \$1.30 per special warrant. The special warrants are exercisable into units for no additional consideration. Each unit will have attached 0.318 of a share purchase warrant. Each whole share purchase warrant will be exercisable into one convertible preference share at a price of \$1.50.

Timmins Gold will seek shareholder approval for the creation of the convertible preference shares at its upcoming annual and special meeting on Sept. 10, 2008. The key features of the convertible preference shares are that they will be non-voting, non-dividend paying, will be convertible into common shares for no additional consideration and will rank equally in all other material respects with the common shares of Timmins Gold. In the event shareholder approval for the creation of the convertible preference shares is not obtained on or before Dec. 31, 2008, the conversion ratio for the units shall be 1.1.

The Pacific Road Resources funds will own approximately 23 per cent of the company's share capital if the warrants and convertible preference shares are converted into common shares. Accordingly shareholders will be asked to approve the creation of a new control person. In the event shareholder approval for the creation of a new control person is not obtained by Dec. 31, 2008, the conversion ratio for the share purchase warrants only shall be 1.1.

The securities issued under the special warrant private placement will be subject to a statutory hold period expiring on Nov. 15, 2008, and a contractual hold period expiring on April 15, 2009. A finder's fee of 4.25 per cent of the proceeds of the first tranche was paid to arm's-length parties.

The special warrants must be converted into either convertible preference shares or common shares by July 14, 2013, and the expiry date of the share purchase warrants is a maximum of two years from the date of issuance.

The proceeds of the second tranche financing will be used for recommissioning of operations at the San Francisco gold mine located in Sonora, Mexico, including the

purchase of the secondary and tertiary crushers, conveyors and screens, and for general working capital.