



[Galileo Resources PLC](#) - GLR

Copper Project - Earn-in Option Signed

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**Galileo Resources Plc
("Galileo" or "the Company")**

Galileo acquires earn-in rights in major copper province in South Africa

Galileo (AIM:GLR), the exploration and development mining company, is pleased to announce a binding and exclusive Memorandum of Understanding ("MoU") with Shirley Hayes - ipk (Pty) Ltd (SHIP) and Shirley Hayes (SH) to earn-in and acquire up to an 80% interest in the Concordia Copper Project ("Concordia Project") in the northern Cape Province of South Africa.

Highlights:

- Galileo to earn-in 51% of project by the expenditure of ZAR10 million (approximately GBP470 000)
- A further 29% interest can be acquired through the issue of 30,000,000 Ordinary Shares at the price at time of issuance in Galileo following completion of the earn-in
- The Concordia Project covers a very large copper mineralized area in a historically prolific copper mining district which has not yet been completely studied for its open pit potential
- Five potential mineralised pit zones identified within a 10 km² radius on the Concordia Project area covering 36 372 hectares
- Galileo considers the previous focus on steeply dipping veins (underground mining) is not now appropriate
- Preliminary modelling supports this prognosis indicating major surface mining potential
- Huge database available for initial examination with 123,000 metres of drilling preliminary assessed for model suitability
- Advanced brownfield exploration project with relatively short lead time to financial assessment.

Colin Bird, CEO said: "This opportunity ticks every box of our search criteria and the acquisition could only have been achieved in the current environment. We believe Concordia has extremely good prospects for potentially delineating a world class "superpit" copper resource and mine. The world demand for copper is forecasted to rise with short falls projected from 2025 and onwards. This is a large project in a mature mining jurisdiction."

General

The Okiep mining district, incorporating the Concordia area, was the world's largest copper producing region until the late 1920s. The nearby O'okiep underground copper mine was the second largest copper producer in South Africa after the Phalaborwa copper mine. O'okiep's focus was on deep underground mines working higher grade copper ore.

A preliminary computer modelling assessment has identified the opportunity to model surface mineable tonnes and grades not common in the global mining world.

The immediate work programme envisaged is as follows:

- Test for flaws and opportunities (independent)
- Design open pits at various cut off grades to optimise tonnage and grades
- Carry out preliminary metallurgical testwork and economic assessment.

The key terms of the MoU agreed for the joint venture include:

- SHIP grants Galileo a 30 day due diligence period during which a formal agreement for the joint venture will be prepared incorporating terms and conditions of the MoU
- Galileo expends ZAR10 000 000 ("Committed Amount") over 14 months on an agreed exploration work programme ("Work Programme") - to be agreed within 30 days of signature of the MoU
- On expenditure of the Committed Amount, Galileo earns a 51% beneficial interest ("1st Beneficial Interest") and SHIP 49% beneficial interest in a joint venture company ("JVC") in which SHIP, will vest the Concordia Project, for which SHIP holds the prospecting rights ("Prospecting Rights")
- Galileo deposits the Committed Amount in JVC account according to the following schedule:
 - ZAR6 000 000 (£282 000) by no later than 15 March 2016
 - ZAR4 000 000 (£188 000) by no later than 1 September 2016
- Incumbent CEO of SHIP remains CEO of SHIP during the 14-month Work Program
- On acquiring the 1st Beneficial Interest", if Galileo elects within 30 days to continue with exploration and development, it grants SH, 30 000 000 Galileo ordinary shares ("Grant Shares") at the price prevailing at the time of grant to acquire a further 29% beneficial interest (2nd Beneficial Interest") in JVC taking Galileo's total Beneficial Interest in JVC to 80% and SH holding subject to minimum dilution protection.
- The Grant Shares will be subject, inter alia, to a 12-month lock-in period.
- Should Galileo elect not to continue beyond the Committed Amount, then Galileo dilutes to 15% beneficial interest ("Diluted Interest") in the JVC. SH has first right of refusal to buy back the Diluted Interested at agreed fair value.
- SHIP continues with a Section 102 application under the Mineral and Petroleum Resources Development Act (MPRDA) to amend its Prospecting Rights to include the right to prospect all minerals.

Technical sign-off

Andrew Sarosi, Director of Galileo, who holds a B.Sc. Metallurgy and M.Sc. Engineering, University of Witwatersrand and is a member of the Institute of Materials, Minerals and Mining, is a "qualified person" as defined under the AIM Rules for Companies and a competent person under the reporting standards. The technical parts of this announcement have been prepared under Andrew's supervision and he has approved the release of this announcement.

A copy of this announcement is available on the Company's website www.galileoresources.com.

You can also follow Galileo on Twitter: @GalileoResource

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