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Galileo executes Silverton Farm-Out Agreement

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

GALILEO EXECUTES EARN-IN AGREEMENT TO FARM OUT SILVERTON GOLD PROPERTY IN NEVADA USA

Galileo is pleased to announce that it has executed an Earn-In Agreement ("Agreement") with Orogen Gold plc ("Orogen") following completion of Orogen's due diligence covering the Silverton gold-silver property ("Property") in Nevada, USA, as envisaged under the terms of a previously signed Term Sheet announced in an RNS on 21 April 2016. Orogen will have the right to earn-in to an initial 51% interest in the Property by way of exploration expenditure of US\$400,000 within 18 months and thereafter the possibility to spend an additional US\$1,500,000 within 30 months to earn-in a further 24% interest, in total 75%, in the Property.

Galileo will have the right to participate pro rata after Orogen's initial 51% earn-in; should it exercise this right it would retain a 49% equity interest in the Property. Refer to Summary of Terms of Agreement below for further details.

Highlights

- **Galileo executes Earn-In Agreement following Orogen's successful due diligence**
- **Orogen has the right to earn an initial 51% interest in the Silverton Property over the 6km² claim area through exploration spend of US\$400,000 over 18 months**
- **Orogen may earn an additional 24% interest in the Property through a further exploration spend of US\$1.5 million over a subsequent 30 month period**
- **Galileo retains the right to participate pro rata after Orogen's initial 51% earn-in**
- **Property site visit identifies new target with historic silver/gold workings along cross structure**
- **Orogen commences focussed re-mapping and sampling programme to confirm sites for an initial diamond drilling phase**
- **Farm-out in line with Galileo's strategy of focusing its available resources on its South African copper project.**

Andrew Sarosi, executive director commented: "We are pleased to have concluded this agreement with Orogen, which allows for an outside party to fund the exploration of Silverton. Orogen's due diligence, which included a site visit with Galileo, has already identified additional targets not only to the shear zone reported previously but also to targets not highlighted in the most recent reports and adds to the Company directors' belief in the overall prospectivity of the Property. Further news will be released as results from initial drill testing become available."

The Property

The Property comprises a block of 72 lode claims covering about 6km² located northeast of Tonopah, Nevada USA, where historic exploration has discovered widespread gold mineralisation in a very prospective geological and structural setting. For more technical details regarding the Property please refer to the RNS announcement of 21 April 2016.

Summary of Terms of Agreement

First Earn-In

- Orogen shall spend US\$400,000 on Exploration Expenditure within 18 months from the signature date of the Agreement to include a drilling component. On completion, Orogen will have a 51% undivided interest in the Property with Galileo holding the other 49% interest. If the full amount is not spent on exploration within the required period then Orogen shall have the right to transfer any shortfall in expenditure on the Property and such transfer will form part of the earn-in expenditure, provided that the shortfall does not exceed US\$100,000. Any funds thus transferred will be used exclusively for approved exploration to complete the First Earn-In.
- If Orogen by does not complete the Earn-In, or within 30 days of, the end of first Earn-In period, then the Agreement shall be dissolved, with no recourse by Orogen to investment capital and payments made.

Second Earn-In

- Orogen may spend a further US\$1,500,000 on exploration expenditure within 30 months commencing within 30 days of completion of the First Earn-in to earn a further 24% undivided interest in the Property, giving Orogen an aggregate 75% interest in the Property, at which point Galileo shall have a 25% interest in the Property. However Galileo shall have the right at its election to contribute pro rata to expenditure during the Second Earn-In to maintain its 49% interest in the Property.
- If Orogen continues to sole fund during the Second Earn-In and the full amount is not spent on exploration within the required period then Orogen shall have the right to transfer any shortfall in expenditure on the Property and such transfer will form part of the Earn-In expenditure, provided that the shortfall does not exceed US\$200,000. Any funds thus transferred will be used exclusively for approved exploration to complete the Second Earn-In. If Orogen spends a minimum of US\$1,000,000 during the Second Earn-In period, but does not complete the full Earn-In expenditure, then it will earn a pro-rata additional interest in the Property. If Orogen fails to spend the minimum US\$1,000,000 during the Second Earn-In period then its interest shall remain at 51%.
- On completion of the First or Second Earn-In the parties may form a JV, pro rata their interest in the Property with contractual terms in line with this Agreement. The JV shall aim to advance and develop the Property towards commercial production including but not limited to bankable feasibility study. If either Party elects not to contribute pro rata its interest in the JV to production, such non-contributing Party's interest in the JV shall be subject to a straight-line dilution to a minimum 5% interest in the JV, at which time the non-contributing Party's interest shall be converted to a 5% net profit (before tax) interest.
- Orogen, during First Earn-In and Second Earn-In shall be the Operator of all exploration work on the Property as long as it meets its requirements under the Agreement
- Orogen and Galileo may assign or sell all or parts of their interest under the Agreement to any third party subject to the first right of refusal of the non-assigning Party, on the same terms and conditions of assign or sale to the third party.
- Orogen may in its sole discretion terminate this Agreement at any time by giving not less than 30 (thirty) days prior written notice to that effect to Galileo.

Technical Sign-Off

Andrew Sarosi, Executive Director of Galileo, holds a B.Sc. Metallurgy and M.Sc. Engineering, University of Witwatersrand, is a member of The Institute of Materials, Minerals and Mining and is 'qualified person' as defined under the AIM Rules for Companies and a competent person under the reporting standards. He has approved the release of this announcement.

About Galileo

Galileo Resources plc is a UK public company quoted on the London Stock Exchange AIM . The Company is focused on mineral exploration and development and is currently focussing on the Concordia copper project in the renowned O'kiep Copper District of South Africa. The Company has undertaken and continues to review and independently model

the extensive historical data on the area, in which eleven prospective copper areas have been identified to date and of which five demonstrate considerable near-surface potential.

Further details are available from the Company's website: www.galileoresources.com, including its Nevada gold-copper properties in the USA, its Glenover rare earth and phosphate project and the Concordia copper project respectively in the Limpopo and Northern Cape Provinces of South Africa. A copy of this announcement is also available on the website.

You can also follow Galileo on Twitter: **@GalileoResource**

For further information, please contact:

Andrew Sarosi, Executive Director Tel +44 (0) 1752 221937 /020 7584 2155

Beaumont Cornish Limited - Nomad
Roland Cornish/James Biddle Tel +44 (0) 20 7628 3396

Beaufort Securities Limited - Broker
Jon Belliss Tel +44 (0) 20 7382 8416

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