



[Galileo Resources PLC](#) - GLR

# Glenover Project Update

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**5 February 2018**  
**Galileo Resources Plc**  
**("Galileo" or "the Company")**  
**Glenover Phosphate -Update**

Galileo (AIM: GLR) is pleased to announce that its 36%-owned subsidiary, Glenover Phosphate (Pty) Ltd ("Glenover"), has accepted a Heads of Agreement (the "**Heads**") from a major phosphate/fertiliser producer ("MPP") for the acquisition and supply to MPP of raw phosphate rock ("**Phosphate Rock**") in the form of **flotation concentrate** from Glenover's phosphate-rare earth project ("**the Project**") in the Limpopo Province of the Republic of South Africa.

Additionally, the Company announces that the Department of Mineral Resources ("DMR") has accepted Glenover's application for a mining right (submitted 15 November 2017) to mine and produce phosphate and in this regard Glenover has commenced the requisite environmental impact assessment ("EIA") programme on the Project for the grant of a mining right.

## Highlights

- **Glenover accepts Heads from MPP for the acquisition and long term (minimum 15 years) supply of Phosphate Rock to MPP**
- **The Heads is the outcome of MPP's extensive initial testwork in collaboration with Glenover as to suitability of the Phosphate Rock for its phosphate process and a review of alternative local and international sources of Phosphate Rock**
- **Rare-earths (and niobium) in the tailings of any future processing of Phosphate Rock by MPP, would be available to Glenover for recovery and further beneficiation**
- **Mining Right Application for the Glenover Project submitted to the Department of Mineral Resources on 15 November 2017 and now accepted**
- **DMR acceptance increases Galileo's beneficial interest in the Project to 36%**
- **On successful grant of the Mining Right, Galileo will increase its beneficial interest to 38% in the Project**

The Heads are subject to the parties entering into a definitive supply agreement and otherwise terminate on 30 April 2018. Furthermore, the Heads contains the following material terms:

- MPP requires further pilot scale work to determine the suitability of the Phosphate Rock in its process as one of the main conditions precedent, but further capital expenditure by the MPP for the second phase pilot scale test work will be subject to the Parties agreeing on the main commercial terms in the Heads;

- The Flotation Plant will be built at the mine site and funded and owned by Glenover which will require additional funding; and
  - The MPP will purchase Glenover Phosphate Rock (33% P<sub>2</sub>O<sub>5</sub> content) at international market prices
- Colin Bird CEO** commented: "Galileo and JV partner Ferminore have been in discussions with various interested groups concerning the development of the Project. One group has already carried out extensive bench scale testwork and on this basis has entered into a preliminary offtake agreement, with pilot scale testing remaining the main hurdle to a binding agreement. Importantly too, is the fact that the rare earths (and niobium) in the ore, an asset of value, would still be available for future beneficiation. The board is pleased that the potential exists by way of this Heads to realise a significant return on the Company's initial investment in the Project".

The **Heads** is the outcome of phase 1 of a 2-phase Pilot Plant Study investigation by MPP ("Investigation") (see previous announcement 12 June 2017) as to suitability of the Phosphate Rock for its process and also MPP's review of various other local and international sources of raw phosphate rock.

The **Heads** is subject, among others, to the second phase of Investigation, comprising technical and pilot plant work, including the production of 30 tonnes of Phosphate Rock for piloting by MPP, being successful and to the incorporation of the terms of Agreement into a definitive supply agreement.

The termination date of the **Agreement** is the earlier of 30 April 2018 and the signature date of the definitive supply agreement.

#### The Glenover Project

The Project is located approximately 90 km northwest of the town of Thabazimbi in the Waterberg region of Limpopo Province in the Republic of South Africa. The Project comprises an inactive phosphate mine comprising a SAMREC compliant 10.37 million tonnes (Mt) grading 18.73% phosphate (P<sub>2</sub>O<sub>5</sub>) including an inferred 2.685 Mt surface stockpiles of phosphate ore grading 22.21 %P<sub>2</sub>O<sub>5</sub> and a measured and indicated 7.4 Mt grading 17.51 %P<sub>2</sub>O<sub>5</sub> in an apatite (phosphate mineral)- breccia core remaining in the previously mined open pit. The open pit is approximately 100 metres deep with a surface width of approximately 200 metres.

#### Glenover Phosphate Resource (SAMREC compliant) <sup>1</sup>

Resource	Resource Class	Tonnage Mt	P <sub>2</sub> O <sub>5</sub> (%)
Apatite-Haematite Breccia	Measured		
	Indicated	7.407	17.57
	Total Measured & Indicated	7.407	17.57
	Inferred	0.274	15.83
Surface Stockpiles	Inferred	2.685	22.21
Total	Measured indicated & inferred	10.37	18.73

<sup>1</sup> Data contained in the Preliminary Economic Assessment (PEA) referred to in RNS announcement of 07 March 2013 "Results of Glenover PEA"

Further details as set out in past announcements are available from the Company's website, [www.galileoresources.com](http://www.galileoresources.com), which details the Company's project portfolio as well as a copy of this announcement:

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

#### 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.

ENDS

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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Technical Glossary:

**Inferred Mineral Resource:** that part of a Mineral Resource for which volume or tonnage, grade and mineral content can be estimated with only a low level of confidence. It is inferred from geological evidence and sampling and assumed but not verified geologically or through analysis of grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited in scope or of uncertain quality and reliability.

**Indicated Mineral Resource:** that part of a Mineral Resource, for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on information from exploration, sampling and testing of material gathered from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological or grade continuity but are spaced closely enough for continuity to be assumed.

**Measured Mineral Resource:** that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable information from exploration, sampling and testing of material from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

This information is provided by RNS  
The company news service from the London Stock Exchange

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