



[Galileo Resources PLC](#) - GLR

# Glenover Project Update

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6 July 2017  
Galileo Resources Plc  
("Galileo" or "the Company")  
Glenover Phosphate - Term Sheet to Advance Project

Galileo (AIM: GLR) is pleased to announce that, further to its announcement of 12 June 2017, it has executed a term sheet with its JV partner Fer-Min-Ore Proprietary Limited ("FMO"), in the Glenover Phosphate/Rare earth project (the "Glenover Project" or "Project"), to advance the Project to a stage where it obtains a mining right ("MRA") from the Department of Mineral Resources ("DMR") to mine and produce phosphate ( the "Term Sheet").

One of the terms in the Term Sheet, amongst other, includes Galileo funding the execution of the mining right application ("MRA") by way of a loan, convertible to 4% of the equity in Glenover Phosphate Proprietary Limited ("Glenover"). The Company has engaged a consulting group to execute the MRA.

## Term Sheet Highlights

- **Galileo signs Term Sheet with JV partner to advance the Glenover Project to a MRA with the DMR**
- **Galileo to fund the application for a MRA by way of a convertible loan ("Loan")**
- **The Loan will be convertible to 4% new equity in Glenover: 2% on acceptance of the MRA by the DMR and 2% on formal grant of the Mining Right by the DMR**
- **Galileo's equity in Glenover may accordingly increase to 38% from 34%**
- **Post conversion of the Loan, the black economic empowerment shareholding in Glenover will be adjusted to comply with the amended Mining Charter of South Africa and the remaining shareholders will dilute accordingly**
- **Existing Project shareholder loans will be written down: Galileo's loan (ZAR1.9M) will be netted off against FMO's loan (ZAR 10.6M) and FMO's remaining agreed outstanding loan will be ZAR4M**
- **Term Sheet is valid for 24 months or until formal grant of Mining Right**
- **Galileo has engaged South African based Minxcon Limited to execute the MRA**
- **The funding will also include a monthly payment ZAR35,000 (~GBP2,058 ) into Glenover's account to support the funding of the management of the Glenover Project**

**Colin Bird, CEO**, commented: "The mining right will provide optionality to Glenover to pursue best route for development of the Project. We are currently testing various scenarios for development and will keep shareholders advised."

## 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 ( $P_2O_5$ ) including an inferred 2.685 Mt surface stockpiles of phosphate ore grading 22.21 % $P_2O_5$  and a measured and indicated 7.4 Mt grading 17.51 % $P_2O_5$

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> (%)
	Measured		
Apatite-Haematite	Indicated	7.407	17.57
Breccia	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  
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