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# Kabwe Residual Rights - Acquisition Completes

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Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR).  
24 June 2019

**Galileo Resources Plc**  
**("Galileo" or "the Company")**  
**Kabwe Residual Rights - Galileo Completes Acquisition**  
**Issue of Equity**

**Highlights:**

- The Company has acquired the Kabwe Residual Rights, which includes the Kashitu Zinc willemite <sup>(a)</sup> prospect ("Kashitu Zinc"), and the Sale Shares: being the 15% of the shares in Galileo's subsidiary Enviro Zambia Limited that it previously did not own
- The Sale Shares increase the Company's beneficial interest in the Star Zinc project to 95% (from previous 80.75%) with the Zambian government holding 5%
- Kashitu Zinc is some 6 km from Jubilee Metals Group plc's ("JMG") Kabwe zinc refinery plant, which JMG is developing to process its own willemite-bearing tailings and so potentially available to treat ore as well from Star Zinc
- The directors believe, that Kashitu Zinc has similar mineralisation to Star Zinc and future potential "ore" from Kashitu could supplement that from Star Zinc
- Historically, vanadium has been identified on Kashitu Zinc.
- Kashitu Zinc licence area is bigger than Star Zinc and is therefore believed to have the potential for a much larger tonnage based on interpretation of historical exploration on the prospect

(a) Willemite a zinc silicate ore mineral

Galileo is pleased to announce that, pursuant to the Binding Heads of Terms (announced 13 September 2018) and paragraph 13.2 therein, it has exercised its right, at its sole election and risk, to proceed to the completion of the Proposed Transaction, namely the acquisition of the Kabwe Residual Rights, including the Kashitu Zinc willemite exploration prospect ("Kashitu Zinc") and the remaining 15% of the shares, that Galileo currently does not hold in Enviro Zambia Limited (the "Sale Shares") (together the "Acquisition") (even if the terms of the Transaction Documents have not yet been agreed), by giving notice in writing (the "Completion Notice") to the BMR Group plc ("BMR") to proceed. The consideration for the Acquisition comprises a cash component of £50,000 and the

issuance of 15,000,000 Galileo ordinary shares ("Consideration Shares") of par 0.1p ("Ordinary Share") to BMR at a price of 1.15p per Ordinary Share. Also, in terms of the Binding Heads of Terms, Galileo has elected and BMR has agreed to the issuance of 9,615,385 Galileo ordinary shares priced at 0.52p ("Additional Consideration Shares") in lieu of the £50,000 cash payment. As a result of the Acquisition, Galileo increases its interest in Enviro Zambia Limited from 85% to 100%. Enviro Zambia Limited owns 95% of Enviro Processing Zambia Limited, to which Star Zinc's large-scale exploration licence 19653-HQ-LEL remains to be transferred, subject to Zambian regulatory approval, from a wholly owned subsidiary of BMR, Enviro Processing Limited.

**Colin Bird**, Galileo CEO said "Completion of this acquisition, adds substantially to the Company's prospective zinc metal base and has increased its beneficial interest to 95% in its advanced Star Zinc project. The Kashitu Zinc mineralisation has the added benefit of vanadium, which in today's terms, will add significant value to the overall metal package. Historical evidence has indicated large tracts of willemite together with potential for sulphides and that the Kashitu concession is larger than Star Zinc. Its proximity to the Kabwe refinery adds potentially immense value to the acquisition. We look forward to defining the quantum of this prospective deposit" Application will be made to the London Stock Exchange for a total of 28,215,385 new ordinary shares of 0.1p each, ("New Shares") to be admitted to trading on AIM. The New Shares comprise the above-mentioned 24,615,385 Consideration and Additional Consideration Shares, and 3,600,000 new ordinary shares to be issued in lieu of broker fees, the latter priced at 0.50p per Ordinary Share. The New Shares have been issued and allotted in terms of the company's general authority to issue shares, obtained at its annual general meeting on 5 September 2018.

The New Shares will rank *pari passu* in all respects with the existing Ordinary Shares of the company. These New Shares are expected to be admitted to trading on AIM on or around 27 June 2019. The New Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares. Following the issue of the New Shares, the Company's issued share capital will total 433,911,947 Ordinary Shares, with voting rights. Shareholders in the Company may use this figure as the denominator for the calculation, by which they would determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

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

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