



[Galileo Resources PLC](#) - GLR

Potential sale of interest in Joint Venture

Released 15:08 28-Jan-2015

RNS Number : 4127D
Galileo Resources PLC
28 January 2015

28 January 2015

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

Potential sale of interest in joint venture

Galileo (AIM: GLR), the exploration and development mining company, announces that it has entered into an exclusive Sale Agreement ("Sale Agreement") with Fer-Min-Ore Proprietary Limited ("Fer-Min-Ore"), in terms of which the Company, inter alia, has offered to sell ("Offer") and Fer-Min-Ore ("Purchaser") has offered to purchase all the Company's rights, title, interest and shares in the capital of Glenover Phosphate Proprietary Limited ("Glenover") for a purchase consideration of US\$4 million ("Proposed Transaction"). Glenover, in which the Company holds a 33.99% interest (29 % direct and 4.99 % through its shareholding in Galagen), owns the Company's joint venture interest with Fer-Min-Ore in its rare earth/phosphate project in the Limpopo province of the Republic of South Africa.

Colin Bird, Chairman of Galileo, said: "The Glenover phosphate project has been advanced in association with our partner Fer-Min-Ore to a status where significant new funds together with specific industry expertise are required. The Company is currently focussing on their highly prospective copper/gold projects in Nevada."

The Offer is subject to:

- a. the Proposed Transaction being completed within four months of concluding the Sale Agreement, after which period, or such later date as may be mutually agreed, the provisions of the Agreement will not take effect; and
- b. to the extent required, approval of the Proposed Transaction by relevant regulatory bodies, including, but not limited to, any approvals required from the Department of Minerals and Energy (South Africa) or other relevant regulatory authority in terms of section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002.

Further information on Glenover, financial effects of the Proposed Transaction and use of proceeds

The carrying value of Galileo's investment in Glenover as at the latest audited balance sheet date of 31 March 2014, was £2.3 million (£2.2 million in the unaudited interim balance sheet of Galileo as at 30 September 2014) which is approximately equal to the potential consideration of US\$4 million (£2.6 million at an exchange rate of £1 - US\$1.52) and, if the Proposed Transaction is completed as contemplated, the Company anticipates that there will be no substantial effect on the Group's net assets.

Galileo's equity accounted loss for the year ended 31 March 2014 amounted to £0.038 million (30 September 2014: loss of 0.013 million).

If the Proposed Transaction is completed Galileo intends to apply the sale proceeds on a basis to be determined by the Board as regards both general working capital and its other projects, principally advancing the exploration of the Company's copper-gold prospects in Nevada comprising, inter alia, mapping, geochem sampling, geophysics and drilling.

Further details of Glenover and its rare earth and phosphate project and the Company's Nevada projects are available from the Company's website: www.galileoresources.com

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

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

For further information, please contact:

Colin Bird Chairman	Tel +44 (0) 20 7581 4477
Andrew Sarosi, Technical Director	Tel +44 (0) 1752 221937
Beaumont Cornish Limited - Nomad Roland Cornish	Tel +44 (0) 20 7628 3396
Hume Capital - Joint Broker Jon Bellis	Tel +44 (0) 20 3693 1470
Daniel Stewart & Co - Joint Broker David Coffman/Colin Rowbury	Tel + 44 (0) 20 7776 6596

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

END