



[Galileo Resources PLC](#) - GLR

Glenover Phosphate - update

Released 09:51 01-May-2018

RNS Number : 7166M
Galileo Resources PLC
01 May 2018

01 May 2018
Galileo Resources Plc
("Galileo" or "the Company")
Glenover Phosphate-Update

Galileo (AIM: GLR) is pleased to announce that further to the Heads of Agreement ("**Heads**") announced 5 February 2018, negotiations with a major phosphate/fertiliser producer ("**MPP**") are continuing positively to finalising a Definitive Supply agreement ("**DSA**") to supply, for up to 15 years, raw phosphate rock ("**Phosphate Rock**") in the form of flotation concentrate from the Glenover phosphate project (the "**Project**"). In this regard, MPP has progressed the Conditions Precedent testwork, stipulated in the Heads, with results to date MPP deem satisfactory. MPP expect to complete over the next two months a remaining Condition Precedent, namely the production of a 30-tonne bulk sample of phosphate rock for further testing in its fertiliser process. The Project is located in the Limpopo Province of the Republic of South Africa.

The Company also announces, that Glenover's Environmental Impact Assessment/Management Programme ("**EIA/EMP**") in relation to its application for a mining right, which application was accepted (announced 5 February 2018) by the Department of Mineral Resources ("**DMR**") is progressing on schedule: draft version of the EIA/EMP has been submitted to interested and affected parties for comment (closing date 18 May 2018) before final submission of the EIA/EMP, expected on 26 May 2018, to the DMR.

Highlights

- **All criteria to facilitate the Project towards the objective of commencing production continue to be met**
- **Negotiations continue positively with MPP on a DSA for long term (minimum 15 years) supply of Phosphate Rock**
- **Testwork, a Condition Precedent by MPP, to confirm suitability of the Phosphate Rock for its phosphate/fertiliser process has progressed with positive results to date acceptable to MPP.**
- **A final Condition Precedent to test a bulk 30-tonne sample of phosphate rock in MPP's process is scheduled over the next two months**
- **The EIA/EMP for the Project in terms of the Mining Right Application remains on schedule: draft EIA/EMP has been submitted to interested and affected parties for comment (closing date 18 May 2018) and final submission to DMR is expected 26 May 2018**
- **Rare-earth (and niobium) in the tailings of any future processing of Phosphate Rock by MPP, would be available to Glenover for recovery and further beneficiation**

- **On successful grant of a Mining Right, Galileo will increase its beneficial interest in the Project to 38% from current 36%**

Colin Bird CEO commented: " We are happy to be able to report that negotiations with the MPP on all matters relating to the definitive supply (offtake) agreement, an important hurdle, for the Project, are continuing positively towards execution. The EIA/EMP for the Project is on schedule for submission to the DMR on 26 May 2018. I am pleased to say that we continue to meet all the criteria to facilitate our aim to commence production from the Project. We will keep the market advised of progress on the Project.

Editor's Note

The **Heads** included 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, and 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 (*These have been agreed*);
- The Flotation Plant will be built at the mine site and funded and owned by Glenover;
- The MPP will purchase Glenover Phosphate Rock (33% P₂O₅ content) at international market prices;
- The **Heads** is subject, among others, to the second phase of Investigation comprising technical and pilot plant work, including the production of 30 tonnes Phosphate Rock for piloting by MPP (*this remains outstanding*), being successful and to the incorporation of the terms of the Heads into a Definitive Supply agreement ("*Condition Precedent*"); and
- The termination date of the **Heads** is 30 April 2018 or the signature date of the Definitive Supply Agreement, which (*ever*) is earlier

The above Condition Precedent is expected to be carried out by MPP over the next two months. Therefore the time-lines above for concluding the Heads/Definitive Supply Agreement has been agreed to extend to 30 June 2018 in order to facilitate fulfilling this Condition Precedent.

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 (P₂O₅) including an inferred 2.685 Mt surface stockpiles of phosphate ore grading 22.21 %P₂O₅ and a measured and indicated 7.4 Mt grading 17.51 %P₂O₅ 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) ¹

Resource	Resource Class	Tonnage Mt	P ₂ O ₅ (%)
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

¹ 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, 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.

For further information, please contact:

Galileo Resources PLC

Colin Bird, Chairman Tel +44 (0) 20 7581 4477

Andrew Sarosi, Executive Director Tel +44 (0) 1752 221937

Beaumont Cornish Limited - Nomad and Joint

Broker

Roland Cornish/James Biddle Tel +44 (0) 20 7628 3396

Novum Securities Limited - Joint Broker

Colin Rowbury/Jon Belliss

Tel +44 (0) 20 7399 9400

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

END