

7 April 2017

Hunter Resources plc
(“Hunter” or the “Company”)

Hunter has entered into a Heads of Terms to acquire a controlling interest in an advanced pre-production diamond mine in South Africa.

Highlights

- Hunter Resources plc (“Hunter”) has agreed to acquire control of an advanced Diamond Project in South Africa, subject to contract, due diligence, regulatory and any shareholder approval.
- Hunter will acquire 100% of the issued share capital of the controlling entity through an issue of new fully paid ordinary shares in Hunter to the value of £8.05 million
- A high proportion of gem quality diamonds were recovered in historical production including two plus 300 carats diamonds. Recent bulk testing recovered a number of diamonds including a 0.5carat fancy yellow diamond.
- Independent Geologist Report dated 15th July 2014 estimated the asset could contain approximately 6.8 million carats from 30% of the potential mineralisation.
- Hunter will seek a standard listing on the London Stock Exchange and raise up to £5 million to fund the purchase, installation, commissioning and operation of a diamond production and sorting plant. Hunter will do a pre-IPO fund raising of approximately £400,000.

Hunter Resources plc has entered into a Heads of Terms, subject to contract, due diligence, regulatory and any shareholder approval, to acquire 100% of the issued share capital of the controlling entity of a pre-production diamond project in South Africa. The transaction will be by way of an issue of new fully paid ordinary shares in Hunter to the value of £8.05 million.

Historical records indicate that diamonds recovered were frequently large and high quality. In historical records, there is mention of a 336ct exceptional quality diamond recovered in 1896. Another 336.5ct straw yellow diamond was recovered in 1902. Modern bulk sample testing has proved the existence of a diamondiferous kimberlite and mineralised historical tailings on site.

Based on historical records, the mine recovered 25,213 carats in the form of high value diamonds from approximately 1.4million tonnes of waste and ore material mined across several phases of production from 1880 to 1914, with historical grades at over 41cpht (carats per hundred tons) from an 800 ft exploration shaft.

The project has a non-JORC compliant resource estimated at 6.8 million carats from approximately 30% of the ore body, with a potential to significantly expand the mineral resource.

In addition Hunter will raise up to £400,000 by way of a pre IPO placement to fund the due diligence, payment of a £50,000 deposit to the controlling entity and to cover the process of the Company being admitted on the Standard List of the London Stock Exchange.

The Executive Chairman of Hunter, Mr Simon Hunt, said that the proposed transaction is exciting for Hunter to acquire a near term diamond producer with an initial mining and processing plant of 1.5 million tonnes of ore per annum”.

The company is subject to confidentiality and further details will be released on completion of due diligence.

For further information, please contact:

Hunter Resources PLC Simon Hunt (Chairman) +44 7733 337 755 www.hunter-resources.com	
---	--

ENDS