

30 December 2013

Hunter Resources PLC
("Hunter" or the "Company")
(AIM: HUN)

Suspension of trading, update on the implementation of the Company's investing strategy, granting of Convertible Loan Facility and Reverse Takeover discussions

Suspension of trading in the Company's shares

The Company has been negotiating the Transaction (as defined below) for some time and had hoped to make an announcement prior to the anniversary of Hunter becoming an Investment Company, but this did not prove possible. Under the AIM Rules for Companies, the Company's shares would be suspended from trading due either to the passing of the anniversary of it becoming an Investment Company, if a significant investment had not been entered into, or the announcement of the Transaction ahead of the production of an AIM Admission Document and the calling of a General Meeting.

Under the AIM Rules for Companies, the Company's shares have today suspended from trading due to the passing of the anniversary of it becoming an Investment Company.

Update on the implementation of the Company's investing strategy

Since its last round of funding in December 2012 the Company has reviewed a large number of natural resource exploration and development projects in which to invest. Hunter has identified an outstanding management team with the technical and financial management capabilities needed to see a project through development and into operations (the "Management Team"). The Management Team has extensive experience in South America and in particular Peru, a country that has become of particular focus for Hunter when reviewing resource investment opportunities due to the potential that it offers.

Peru is a country with an established Mining regulatory regime and has a significant number of the world's largest mining companies present, operating mines for a range of minerals. Hunter is focused on identifying potentially high grade gold, copper and polymetallic projects in Peru that can be mined from open pits or underground with minimal capital. Access to these projects will be by farm in whereby a significant proportion of the consideration is in the form of expenditure in the ground, leveraging off Hunter's technical expertise.

Granting of Convertible Loan Facility

The Company announces that it has agreed a new financing facility with Marine Investments (WA) Pty Limited ("Marine"), its largest shareholder and holder of the Company's existing convertible loan notes to provide interim funding in connection with the potential transaction referred to below (the "Facility"). The terms of the Facility are as follows:

- A total facility amount of US\$150,000, available for drawdown at the Company's request in accordance with an agreed budget, US\$40,000 of

- which is to be drawn down immediately.
- Interest payable at 8% per annum on all drawn balances.
- Unsecured.
- For a term of 6 months.

The Facility also includes the right for Marine to convert the outstanding balance of the Facility into Ordinary Shares in the Company ("Ordinary Shares") at a conversion price equal to the price that any new Ordinary Shares are issued for cash in relation to the potential acquisition transaction that would constitute a reverse takeover ("RTO") under the AIM Rules for Companies, which is outlined below (the "Potential Transaction"). The right of Marine to convert the Facility into Ordinary Shares is conditional on the Potential Transaction being completed.

The granting of the Facility constitutes a related party transaction under the AIM Rules, as Marine is a substantial shareholder in the Company (as defined in the AIM Rules for Companies). The Board consider, having consulted with Allenby Capital Limited, the Company's nominated adviser, that the terms of the Facility are fair and reasonable insofar as The Company's shareholders are concerned.

Reverse Takeover discussions

The Board of Hunter is delighted to announce that it has entered into a Memorandum of Understanding ("MOU") relating to the Potential Transaction.

The MOU is between Hunter and Global Pearl Limited ("GPL"), a company controlled by the Management Team. GPL has a 100% owned Peruvian subsidiary company, Gold Hunter S.A.C. ("GH") through which certain Peruvian resource assets are intended to be acquired concurrent with the Potential Transaction; these are outlined below. The Transaction will involve Hunter acquiring 100% of the issued share capital of GH from GPL in consideration of an issue of Ordinary Shares in Hunter equating to 10% of its enlarged Ordinary Share capital, subsequent to and conditional on the Company raising new capital of between £1.00m and £1.25m concurrent with the Potential Transaction.

The Management Team has secured an interest in a potentially high grade, polymetallic project ("Project Pampamali") as well as identifying a number of other opportunities in Peru which are under negotiation. Projects being sought are high grade, polymetallic vein systems and porphyry targets. Project Pampamali is located in central Peru in the Department of Huancavelica. It is 563 km by road from the City of Lima and consists of 8 exploration concessions with a total area of 3,500 hectares. Agreements with local communities are in place and are expected to allow exploration and development activities to be progressed rapidly.

Project Pampamali consists of 36 veins identified from surface outcrop. The veins contain intermediate sulphidation, polymetallic mineralization (Au, Ag, Pb, Zn and Cu). The high grade veins have mapped outcrops of between 100 and 2,000 meters in length, with widths ranging from 0.20 up to 3.00 metres.

Hunter hopes to complete the Potential Transaction before mid to end March 2014. Interim funding for the Potential Transaction is being provided by the Facility. Hunter will be engaging GPL on a consultancy basis prior to completion.

Hunter's Ordinary Shares will remain suspended until an Admission Document is produced and the Transaction is approved at a general meeting of shareholders in accordance with the AIM Rules for Companies. Pursuant to the AIM Rules for Companies the Company will have 6 months from the date of suspension (i.e. 30 December 2013) to complete the proposed reverse takeover. In the event that the proposed reverse takeover is not completed by 30 June 2014 the listing of the Company's shares on AIM will be cancelled.

Chairman's comment

Simon Hunt, Executive Chairman of Hunter said "having looked at quite a number of opportunities, the board concluded that the best way forward is to work with a very strong and experienced team with an excellent local knowledge. I am delighted that we have found such a solution in GPL and a potentially very valuable first project which we can acquire on very favourable economic terms so that we can deliver value to existing shareholders".

ENDS

For further information, please contact:

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