

3 July 2014

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

Update on Prospective Reverse Takeover and Fundraising

Introduction

On 9 June 2014, the Company announced the proposed acquisition of Gold Hunter S.A.C. ("Gold Hunter"), which has secured an interest in the Pampamali project (the "Project"), which consists of 8 exploration concessions with a total area of approximately 3,500 hectares located in central Peru, which will become the Company's main country of operation. The Project is a potentially high grade gold and silver project, with base metal credits. Gold Hunter will continue to provide technical and operational services to the Company after the acquisition.

The acquisition of Gold Hunter constitutes a Reverse Take-over under AIM Rule 14 and was approved by Shareholders at the Company's Extraordinary General Meeting on 30 June 2014.

Simon Hunt, Executive Chairman of Hunter Resources said, "I am delighted to announce that, subject to Admission, the Company has raised a total of £925,000 as below, from a combination of new investors, existing shareholders and all members of the Board. I believe that this raising, together with acquisition of Gold Hunter in Peru and the Project represents a very exciting opportunity for the Company going forward".

All defined terms are as per the Company's announcement of 9 June 2014 unless otherwise stated.

Placing and Subscription

The Company has raised, subject to Admission, a total of £925,000 by way of an issue of 61,666,667 New Ordinary Shares at 1.5 pence per New Ordinary Share. 36,408,467 of the New Ordinary Shares will be issued by way of the Subscription, 22,472,133 of the New Ordinary Shares will be issued by way of the Placing and 2,786,067 of the New Ordinary Shares that will be issued on Admission as a result of the final \$70,000 (£41,791 at agreed exchange rate) drawdown under the Third Convertible Note. As part of the subscription the Directors and Proposed Director have agreed to subscribe for 29,966,999 New Ordinary Shares.

It is expected that Admission will become effective on 4 July 2014.

On Admission the Shareholdings of the Directors (including Andrew Richards whole will join the Board on Admission) will be as follows:

Director	Number of New Ordinary Shares subscribed for	Number of New Ordinary Shares held on Admission	Percentage of the Enlarged Share Capital
J Molyneux*	21,950,000	22,500,000	16.95%

D Paull	333,333	1,278,599	0.96%
S Hunt	333,333	433,333	0.33%
A Richards	350,000	350,000	0.26%

* This includes shares held by a pension fund of which Mr Molyneux is a beneficiary.

On Admission the Significant Shareholders (as defined under the AIM Rules) will be as follow:

Significant Shareholder	Number of New Ordinary Shares Held	Percentage of the Enlarged Share Capital
Marine Investments (WA) Pty Limited **	33,344,994	25.12%
Hatfield Nominees	5,000,383	3.77%

** includes 866,667 shares held by Diana Lalor and 160,000 shares held by Peter Lalor and 60,000 shares held by Blackwood Consolidated Pty Limited. Marine Investments (WA) Pty and Blackwood Consolidated Pty Limited are both controlled by Peter Lalor. Diana Lalor is Peter Lalor's wife.

The subscriptions for 29,966,999 New Ordinary Shares by the Directors and for 1,666,667 New Ordinary Shares by Marine (and its associates) for a total consideration of £369,500 constitute related party transactions under the AIM Rules. As all Directors are subscribing for New Ordinary Shares, there are no independent directors for the purposes of providing the statement required under Rule 13 of the AIM Rules. Allenby Capital Limited, the Company's nominated adviser, considers that the terms of the subscriptions by the Directors and by Marine (including their associates) for New Ordinary Shares are fair and reasonable insofar as the shareholders of the Company are concerned.

Admission

The Company has applied for Admission to take place on 4 July 2014. Please note the record date for the Consolidation is 30 June 2014, and not 6 June 2014 as previously stated.

The Company's Enlarged Share Capital will be admitted to trading on AIM, subject to the following conditions, pursuant to AIM Rule 9:

- If within 12 months of Admission the Company does not exercise the option to purchase a 20% stake in the Pampamali Project (the "20% Option"), then it must have completed a new equity fundraise of not less than £3m (in one tranche) since Admission or else it may be suspended for breach of AIM Rule 9 conditions.
- Should the Company exercise the 20% Option, but does not exercise the option to purchase a further 31% stake in the Pampamali Project (the "31% Option") within 12 months of exercising the 20% Option, then it must have completed a new equity fundraise of not less than £3m (in one tranche) since Admission or else it may be suspended for breach of AIM Rule 9 conditions.
- The Company has the right to withdraw from the Joint Venture Agreement to develop the Pampamali Project, without penalty, at any time up to 12 months from the exercise of the 31% Option. Should the Company exercise this right, then it must

have completed a new equity fundraise of not less than £3m (in one tranche) since Admission or else it may be suspended for breach of AIM Rule 9 conditions.

- Should the Company's Ordinary Shares be suspended as referred to above (and the Company is not restored within six months by satisfying the relevant outstanding conditions), the Company's Ordinary Shares will be cancelled from trading on AIM.

For further information, please contact:

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