

25 February 2016

**Hunter Resources plc**  
**("Hunter" or the "Company")**  
**(AIM: HUN)**

**Update on the Company's Pampamali Joint Venture**

Further to the announcement of 7 December 2015, the Company announces that it is vigorously making all efforts to complete the outstanding matters regarding the valid exercise of its option to acquire a 51% interest in the Pampamali Project (the "Option"), as it is legally entitled to do under the terms of the amended Joint Venture Agreement (as announced on 8 April 2015) with the current owners of the Pampamali Project (the "Vendors").

Under the terms of the amended Joint Venture Agreement the Vendors are legally obliged to transfer the title of the tenements at Pampamali to a new locally incorporated company ("HOLDCO"), whose shares are to be held 51% by Gold Hunter SAC (the Company's 100% owned Peruvian subsidiary) and 49% by the Vendors. Notwithstanding the Company having exercised its option to acquire a 51% interest in the Pampamali Project (announced on 1 July 2015) the Vendors have, to date, failed to undertake such a transfer and continue to obstruct the legal process.

The Company has engaged a new highly qualified local agent to expedite the process and has given the Vendors until close of business (Peruvian time) on 29 February 2016 to agree to comply with the terms of the amended Joint Venture Agreement. In the event that the Vendors do not agree to comply by this time, as they are obliged to do, the Company will commence formal arbitration proceedings through the American Chamber of Commerce of Peru. In the event that the Vendors agree to comply with the terms of the amended Joint Venture Agreement the Board anticipates it will take up to two months to complete the legal formalities of the transfer of title to HOLDCO. In the event that the Company commences arbitration proceedings, the Board has been advised that such arbitration proceedings can take up to 18 months. However, the board of Hunter believe that the commencement of arbitration will force a resolution much earlier.

As announced on 3 July 2014, certain conditions under Rule 9 of the AIM Rules for Companies were placed on Hunter at the time of its admission following the successful reverse takeover of Gold Hunter S.A.C. (the "Conditions"). These included a requirement for the Company to exercise its options to acquire a 51% interest in the Pampamali Project. Details of the Conditions are set out in the Appendix to this announcement.

Notwithstanding its legally binding exercise of the Option and the Company announcing on 1 July 2015 that the first two Conditions had been satisfied, the failure of the Vendors to complete the transfer of the title of the Pampamali Project to HOLDCO means that the first two Conditions have not in substance yet been satisfied.

In light of the circumstances it has been agreed that the Company will have until 4 July 2016 (being the original date by which Condition 2 was to be satisfied) to fully satisfy Conditions 1 and 2. Full satisfaction of Conditions 1 and 2 will require: i) the Vendors transferring the title of the tenements at Pampamali to HOLDCO; and ii) Gold Hunter SAC owning a 51% interest in HOLDCO. In the event that Conditions 1 and 2 are not fully satisfied by 4 July 2016 the ordinary shares of 1 pence each (the "Ordinary Shares") will be suspended from trading on AIM at 0730 on 5 July 2016. Trading in the Ordinary Shares will remain suspended until the Conditions have been fully satisfied. In the event the

Conditions are not fully satisfied within six months of suspension then the admission to trading on AIM of the Ordinary Shares will be cancelled.

In the event that the shares are suspended the Company will consider what other legal action is available to it and what reparations can be made by the Vendors.

Further announcements will be made as appropriate.

**For further information, please contact:**

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**Appendix – The Conditions**

“The Company’s Ordinary Shares are admitted to trading on AIM, subject to the following conditions, pursuant to AIM Rule 9:

1. 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.
2. 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.
3. 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.
4. 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.”