

31 May 2016

Hunter Resources plc
(“Hunter” or the “Company”)
(AIM: HUN)

Update on the Company’s Pampamali joint venture

Further to the Company's announcements of 25 February 2016 and 2 March 2016, the board of directors of the Company (the “Board”) is today providing an update on the Company’s Pampamali joint venture.

On 2 March 2016 the Company announced that that it had not yet reached agreement with the vendors of the Pampamali Project (the “Vendors”) following the Company legally exercising its option to acquire 51% of the Pampamali Project (the “Option”) because the Vendors continued to obstruct the legal process in Peru.. As a consequence the Company had commenced formal arbitration proceedings through the American Chamber of Commerce of Peru (the “Arbitration”).

In addition to the Arbitration the Company has continued to negotiate with the Vendors to try to reach a settlement and thus complete the legal formalities of the transfer of the title of the Pampamali tenements 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. Following Hunter exercising the Option it is a legal obligation of the Vendors (under the terms of the amended Joint Venture Agreement between the Company and the Vendors) to transfer the title of the tenements at Pampamali to HOLDCO.

The Board has been working towards reaching an agreement with the Vendors in connection with the exercise of the Option but the Vendors have been delaying the legal process. The Company and the Vendors currently have a draft agreement in hand to consider but there is no guarantee that the draft agreement will be finalised and the Board stresses that there can be no certainty that an agreement will be executed as a binding contract, nor that any agreement will be executed within the timeline outlined below.

In the event that:

- i) the Vendors fail to transfer title of the tenements at Pampamali to HOLDCO; and
- ii) Gold Hunter SAC does not own a 51% interest in HOLDCO

by 4 July 2016 the Company’s Ordinary Shares will be suspended from trading on AIM at 07.30 hrs on 5 July 2016.

If suspension occurs, trading in the Ordinary Shares will remain suspended until the Vendor transfers title of the tenements at Pampamali to HOLDCO and Gold Hunter SAC holds a 51% interest in HOLDCO (together the “Conditions”) or another transaction is completed (which would require the Company to publish an admission document). In the event that neither of these are concluded within six months of suspension then the admission to trading on AIM of the Ordinary Shares will be cancelled.

Shareholders should be aware that if no significant progress is made with the Vendors in the near future the Board may conclude that it is in the best interests of shareholders to withdraw from the Pampamali joint venture and the Company is considering its legal options in this regard. Should the Board decide to

withdraw from the Pampamali joint venture then trading in the Company's Ordinary Shares will immediately be suspended from trading on AIM.

In the meantime, the Company is actively reviewing several alternative projects.

The Company is currently finalising its accounts for the year ended 31 December 2015 and the Board anticipate announcing these before the end of June 2016. As a result of the Arbitration and delays in the transfer of the tenements to HOLDCO the Company's working capital position has become constrained. The Board are considering a number of options for additional funding should the Company require additional capital, including the issue of equity and entering into debt facilities.

Further announcements will be made in due course.

For further information, please contact:

Hunter Resources plc Simon Hunt (Chairman) www.hunter-resources.com	Allenby Capital Limited (Nominated Adviser and Broker) Nick Naylor/John Depasquale/ Nick Harriss +44 20 3328 5656 www.allenbycapital.com
---	---