

Regulatory Story

[Go to market news section](#)

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Carlton Resources plc ("Carlton" or the "Company")

Option agreement to acquire highly prospective gold projects in Mali

The Directors of Carlton are pleased to announce that the Company has today acquired an option (the "Option") to acquire all of the shares in Tobon Tondo suarl ("Tobon"), a Malian incorporated company holding highly prospective gold exploration interests known as the Karan exploration licence and the Diatissan research permit (together, the "Licences") in Mali, Africa's third largest producer of gold (the "Acquisition").

Acquisition highlights are set out below:

- the Licences are located in the vicinity of a number of producing gold mines in Mali including, in relation to Karan, Syama (approx. 5.2m ounces), Siguiri (approx. 5m ounces) and Morila (approx. 4m ounces) and, in relation to Diatissan, Sadiola (approx. 12m ounces) and Loulo (approx. 4m ounces);
- consideration is payable only as a result of exercising the Option;
- if Carlton exercises the Option, an initial payment of £600,000 is payable, to be satisfied by the issue of ordinary shares in the Company ("Ordinary Shares"), with two further share-based payments of £600,000 each payable contingent on the projects reaching specific pre-agreed development milestones; and
- Mali's economic systems actively encourage investment in, and development of, its natural resources.

The Board is currently finalising detailed due diligence on Tobon and the underlying assets, in the expectation that it will exercise the Option by not later than 15 January 2010. The Option expires on 31 January 2010.

If the Option is exercised, the Acquisition will constitute a reverse takeover of the Company under the AIM Rules for Companies. The AIM Rules for Companies therefore would require that the Acquisition be approved by the Company's shareholders at a general meeting. Accordingly, and in accordance with the AIM Rules for Companies, trading in the Company's ordinary shares is now suspended and will remain so until either (a) an admission document containing a circular detailing the terms of the Acquisition and readmission to trading on AIM is posted to the Company's shareholders; or (b) the Company confirms that it has elected not to exercise the Option. The circular would also include the notice of the general meeting to approve the proposed Acquisition.

Summary information on the Karan licence area

The Karan licence covers approximately 250km², and is located approximately 90km southwest from Bamako, the capital of Mali. Artisanal gold mining has taken place in the region for centuries and sporadic gold exploration on a more systematic level has occurred on the Karan permit area since the 1960s. The Karan licence area contains multiple hard rock and eluvial targets, and prospectivity is further enhanced by widespread artisanal mining activity that follows the trend of mineralised structures which the Group will target occurring at depth.

The prevalent rock types found within the licence and the apparent association between this suite of rocks, fault and shear structures and mineralisation currently being exploited by artisanal miners bears a strong correlation with economic concentrations of gold found at some of the larger gold deposits in the region, including Kalana, Kodieran, Morila and Banankoro mines, and bodes well for future exploration. The primary objective of the initial exploration programme proposed by Carlton will be to confirm and delineate the presence of gold, suitable host rock types and structures typically associated with gold mineralisation in Mali.

Subject to the exercise of the Option and completion of the Acquisition ("Completion"), four priority targets have been identified for further investigation, with the initial focus being interpretation of exploration work to date followed by geophysical surveys and drill testing of the highest priority targets.

Summary information on the Diatissan permit area

The Diatissan permit area, approximately 16km², is located close to the city of Kayes in Western Mali and less than 20km from the Loulo and Tabakoto Gold Mines. Extensive artisanal gold mining activity crosses the licence. Soil geochemistry has identified a number of targets for follow-up exploration programmes, with emphasis on excavation of trenches to expose saprolite and quartz veining.

The main gold deposits in Western Mali including Sadiola Hill, Yatela, Tabakoto and Loulo are related to geological events which took place during the formation of the Senegal-Malian fault and this major structure may influence gold mineralisation in the Diatissan permit area.

The historical work completed on the licence, together with knowledge gained from the location of artisanal mining activity would, subject to Completion, provide the Company with ample scope to establish an exploration programme to delineate mineralisation within the extensive anomalous zone already outlined.

The main gold anomaly on the Diatissan permit area extends over a strike length of approximately 4.5km with a corresponding width ranging from 0.6km to over 1km. The anomaly was identified following geochemical soil sampling supported by a trenching programme.

The Directors believe that the presence of artisanal mining may be a key indicator of potential at Diatissan. The prolific production history of the area dating back many centuries, the current high level of artisanal gold production and the basic method of ore processing by the artisanal miners all suggest that eluvial and bedrock deposits of gold mineralisation may remain at depth yet to be located using modern exploration techniques.

Information on Mali and its mining industry

Mali is amongst Africa's largest gold producers, and gold is one of its key exports. The country's economic system encourages investment in, and development of, its mines, including unimpeded capital and dividend expatriation and favourable tax and duty structures for mining ventures. A number of significant gold mining companies such as Anglo Gold Ashanti, IAMGOLD, Randgold Resources and Resolute Mining have operations in Mali.

Under Mali law an "exploration licence", is granted for a period of 3 months and is renewable for a further period of 3 months without amendment to the area covered, and a "research permit", which has a duration of 3 years and is renewable twice for a further 3 years with a 50 per cent relinquishment requirement on each renewal.

At present, there is an exploration licence in place for Karan held by Tobon; however it is expected that a research permit will be granted to Tobon imminently (and prior to exercise of the Option). The Diatissan permit area is covered by a research permit which the directors of Carlton understand has approximately 18 months remaining and Carlton understands that such permit is in the process of renewal.

Shareholders will be updated regarding the Option and the proposed Acquisition as appropriate.

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