

Oriole Resources PLC

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Stratex International to increase Megenta stake by paying exploration bill

Stratex International (LON:STI) has told investors that it will fund the next phase of exploration on the Megenta joint venture gold project in Ethiopia.

The AIM quoted firm is footing the bill rather than partner Thani Ashanti and a result it will earn back additional equity in the venture - its stake will increase up to 65% from 49%.

Once the programme's results are in, Thani Ashanti, the tie up between AngloGold and a Dubai based investment group, will still have the opportunity to retain a controlling stake in the project via a 'one time only' option, to retake the additional 16% by paying three times the amount Stratex spends on exploration.

Drilling has now begun at Megenta and the programme is expected to run for around 12 months.

The programme is designed to test deeper mineralisation, beneath the shallow intersections that returned gold grades up to 4.93 grams per tonne back in 2011.

The changes to the joint venture will apply not only to Megenta but also across the whole of the 1,671 square kilometre Tendaho exploration licence.

"We are delighted by this opportunity as it enables Stratex to resume control of exploration at the Megenta project, with reimbursement of three-times the company's costs should Thani Ashanti opt to buy-back in to the project," said executive director David Hall.

"As outlined in our strategy at the beginning of the year we have been able to utilise our strong cash position to progress majority-owned projects towards development to generate value.

"Stratex regards the Afar region as an exciting new epithermal gold province, proving the concept, through drill programmes such as Megenta, would add considerable value to the Afar portfolio and open up an extended phase of exploration."

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Price: 0.48

Market Cap: £3.37 m

1 Year Share Price Graph



Share Information

Code: ORR

Listing: LSE

52 week High Low
0.645 0.25

Sector: Gold & silver

Website: orioleresources.com

Company Synopsis:

Oriole Resources PLC is an AIM-listed exploration company, operating in Africa and Europe.

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