

# Arc Minerals Limited

08:43 13 Jan 2014

## UPDATE - Ortac Resources set to invest in highly prospective Eritrean projects

### --ADDS BROKER COMMENT AND SHARE PRICE ---

Ortac Resources (LON:OTC) has unveiled a strategic tie-up with a private exploration firm, which has a portfolio of "very prospective" high grade copper and gold projects in Eritrea.

The mining firm has struck a subscription agreement with Andiamo Exploration to acquire up to 26.75% of the firm by subscribing for shares in three equal tranches for US\$1.5mln.

The deal includes an option to acquire a further 10 million shares for US\$2.0mln for a total interest of up to 42.2% in Andiamo, it said.

Andiamo holds the 252 square kilometre (km) Haykota exploration licence in Eritrea, 50 km south-west of the producing Bisha Mine, which is a high-grade volcanogenic massive sulphide deposit and one of the highest grade open pit copper mines in the world.

The funds will be used to kick off a drill programme in the first quarter this year at the recently discovered high grade copper mineralisation at the Yacob Dewar deposit, where 63 metres of mineralisation from surface has been intersected - at an average grade of 2.4% copper.

A second drill programme is set to begin later in the quarter to target the high grade oxide gold VMS occurrence at Yacob Dewar, in a bid to expand the deposit along the known 800 metre strike, where recent drilling has returned intercepts including nine metres at 22.5 grams per tonne (g/t) of gold.

There is a preliminary estimate for this oxide gold occurrence, which is likely to increase substantially following further exploration both along strike and at depth.

Ortac will provide full support to deliver assessments for a mining licence application by Andiamo by June 30, 2015, it said.

### ADDED INTERVIEW WITH Ortac Resources' CEO

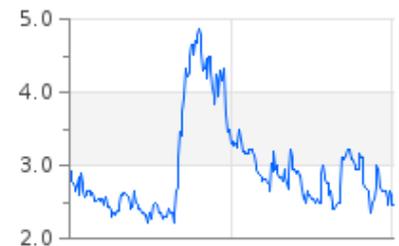
Ortac's chief executive Vassilios Carellas said the investment was the result of an exhaustive process of project reviews.

"Andiamo has, in our view, a stand out portfolio of very prospective high-grade copper and gold exploration projects, which will broaden our portfolio and deliver an additional margin of investment safety for our shareholders, as we continue to progress our proven Šturec gold project in Slovakia.

**Price:** 2.35

**Market Cap:** £17.34 m

#### 1 Year Share Price Graph



February 2019 August 2019 February 2021

#### Share Information

**Code:** ARCM

**Listing:** AIM

**52 week High Low**  
5.1 2.06255

**Sector:** General mining & base metals

**Website:** www.arcminerals.com

#### Company Synopsis:

*Arc Minerals is a dynamic junior exploration company focussed on exploring for copper, cobalt and gold projects in Africa. The Company has a large portfolio of mineral assets and is managed by a high-calibre executive team with a proven track record in sustainable mine development. Arc Minerals is listed on the AIM market in London under the ticker ARCM.*

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"We now look forward to working closely with the Andiamo team to unlock near term value from these exciting Eritrean projects".

Broker Ambrian rates Ortac shares a 'buy' and noted ongoing delays at the firm's Šturec gold Project in Slovakia had increased the need for the addition of a second project within Ortac's portfolio.

"We have been following Andiamo's progress for some time and believe that the Haykota Project hosts significant exploration potential," said mining analyst Duncan Hughes.

"Drilling results reported to date provide encouragement that nice tenor gold and copper mineralisation is present at the project. Whilst only a very small resource is defined currently, the proximity to the world-class, high-grade gold and base metals Bisha project gives further encouragement."

Hughes said the acquisition made sense from a near-term news flow perspective with positive exploration results likely to boost the company's share price performance.

"However, this is not the acquisition we anticipated, and we feel Ortac still needs a more advanced project in its portfolio that could provide near-term cash flow," said Hughes.

"This would transform the company into a producer whilst it continues to manage the permitting process at its high-quality gold project in Europe and makes exploration progress in Eritrea."

The broker has a target price of 2.01p on the shares - reduced from 2.05p to reflect the decline in Ortac's cash.

On Monday, shares dipped 2.13% to stand at 0.23p each.

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