

# Regulatory Story

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## **Stratex International Plc ('Stratex' or 'the Company') Signs Definitive Agreement for Development of Inlice & Altintepe Oxide Gold Deposits**

Stratex International Plc, the AIM-quoted exploration and development ('E&D') company currently developing gold resources towards production and exploring for world-class gold and base metal deposits in Turkey and Ethiopia, is pleased to announce the formal signing of a Definitive Agreement ('the Definitive Agreement') with private Turkish company NTF Insaat Ticaret Ltd Sti ('NTF') following the announcement of an initial MOU on 15 June 2009. This agreement sets out the terms under which Stratex will work with NTF to develop the Inlice and Altintepe gold projects. While ultimate implementation of the Definitive Agreement will take effect only after a closure period that will allow for completion of certain administrative matters, the directors are satisfied that these are matters of process and that the commercial terms of the joint venture are now finalised.

The agreement with NTF provides for the establishment of a joint venture company, NS Madencilik ('the JVC'), in which NTF can earn up to a 55 per cent. interest by funding pre-feasibility and feasibility studies on the Inlice and Altintepe projects via the JVC. Upon closure, NTF will immediately pay Stratex the amount of \$1 million. Thereafter, NTF will finance feasibility studies on Inlice up to an amount of \$2 million prior to a decision to move to production, at which point the two shareholders (NTF and Stratex) may seek debt financing. Alternatively, Stratex may opt to contribute or dilute and/or accept a loan of up to US\$2 million from NTF to fund its contribution to construction costs.

In parallel with this work, NTF will fund scoping and pre-feasibility studies on the Altintepe project to the amount of \$500,000 and, subject to positive outcomes, will fund a further US\$2 million of feasibility studies to take the project to a decision on whether to move to construction and production. At that point Stratex will again have the option to contribute or dilute.

Stratex's Executive Chairman David J. Hall said, "This is a significant advancement in the development of Stratex, and takes us one step further to becoming a gold production company, allowing us to unlock the considerable value in our exploration portfolio. We look forward to enjoying a long and successful relationship with NTF and will seek to grow the JV production vehicle through further discoveries and acquisitions.

"We will also continue to develop the rest of our Turkish exploration portfolio with our partners Teck Resources Limited and Centerra Gold Inc. and, with the additional £1.3 million that we raised recently, we can now rapidly advance the Shehagne project and our exciting new epithermal district discovery in Ethiopia."

NTF has been funding scoping and pre-feasibility studies on Inlice and Altintepe since the signing of the MOU in June 2009. These works include:

### **Inlice**

- Completion of a total of 899 m of infill drilling to define the in situ resource of Ana East and Gap Zones and provide material for detailed metallurgical test work
- Potentially mineable section of Ana Zone extended 260 m to the SE - channel results include:
  - 16 m grading 1.16 g/t Au;
  - 22 m grading 0.81 g/t Au ;
  - 20 m grading 0.84 g/t Au ;
- 58 drill holes totalling 835 m and 104 pits completed to define overlying talus resource
- Four drill holes totalling 173 m completed for geotechnical purposes; core samples submitted to Middle East Technical University, Ankara, for evaluation of mechanical properties of rocks and soils
- Same drill holes now being utilised for piezometric studies to investigate sub-surface water table
- Five water-well holes to be drilled to define hydrogeological parameters of possible aquifers in proposed mine area - tests to be undertaken as soon as snow clears
- Cleaning and construction of new road access completed

- Received proposals from four international consultancy companies to manage the feasibility study through to production which are being reviewed pending site visits

## **Altintepe**

- Environmental baseline study well advanced by Golder Resources at Altintepe
- Review of past drilling and recommendations for infill resource drilling submitted by SRK Consulting (UK)

## **Detailed Information**

Stratex signed an MOU on 15 June 2009 with major Turkish construction and contract mining company, NTF, to form a joint venture to undertake the development and operation of the Inlice and Altintepe projects via a series of pre-feasibility and feasibility studies. Positive outcomes of these studies could lead to gold production at Inlice within a projected 18 month timeframe and at Altintepe within 36 months. NTF funded the development work at a minimum level of US\$50,000 per month for exclusivity whilst the Definitive Agreement was being prepared.

Signing of the Definitive Agreement, comprising a Shareholders and Joint Venture Agreement and Share Purchase Agreement, will now be followed by a closure period (estimated at between 20 and 40 business days) during which NTF shall undertake a formal due diligence review of the newly established JVC and the Inlice and Altintepe Project Companies and shall obtain necessary approval from the Turkish Competition Authority. Stratex shall complete the processes for restructuring of the JVC and, on closing, shall register NTF as the legal owner of 54 per cent of the equity in the JVC to NTF (to be increased to 55 per cent. at a later date), at which point NTF will pay Stratex the sum of US\$1 million. Thereafter, NTF will finance feasibility studies on Inlice up to an amount of US\$2 million, less what it has already contributed through monthly payments, prior to a decision to move to production, at which point the two shareholders (NTF and Stratex) may seek debt financing.

Stratex may also opt to contribute or dilute and/or accept a loan of up to US\$2 million from NTF to fund its contribution to construction costs.

In parallel with the Inlice studies, NTF will finance the start-up of scoping and pre-feasibility studies on Altintepe to a level of US\$500,000. Subject to positive outcomes, the Altintepe project will then be transferred to the JVC and thereafter NTF will fund up to a further US\$2 million of feasibility studies to take the project to a decision on whether to move to construction and production. At that point Stratex will have the option to contribute or dilute.

An underlying share-pledge scheme will dictate the levels of earn-in to the JVC achieved by NTF through its expenditures. Should NTF decide not to proceed beyond the commitment of \$500,000 to the Altintepe study, the project will remain with Stratex.

### **The Inlice and Altintepe Projects**

The Inlice project contains a total resource of 262,300 oz Au utilising a geologically well defined cut-off grade of 0.1 g/t Au. The open-pittable, in situ oxide resource is 944,495 tonnes grading 2.29 g/t Au for 69,324 oz. It is the intention to fast-track this project into production within 18 months.

At Altintepe, the oxide resource currently stands at 472,318 oz Au, comprising 13,098,137 tonnes grading 1.12 g/t Au in all categories at a cut-off of 0.2 g/t Au and including 8.3 Mt grading 1.48 g/t Au. The commissioned SRK review of drilling has proposed a limited amount of infill drilling on certain of the mineralized zones to confirm the geological interpretations and also the base of oxidation.

Subject to positive results from feasibility studies and scheduled planning, internal targets anticipate production at Inlice to commence in H2 2011, at a level yet to be decided but probably not less than 25,000 oz Au per annum with a mine life of 2-3 years. Additionally, subject to positive results and planning, Altintepe is provisionally targeted to commence production in three years' time, with provisionally projected production targets of between 30,000 and 50,000 oz per annum over a mine life of 8-9 years.

### **Sampling, assaying, and QA/QC**

Stratex's sampling of drill core and outcropping rocks conforms to industry wide good practice, with drill core being split using a diamond saw, and with chain of custody being observed for all samples. Analysis is undertaken by ALS Chemex at its laboratories in Johannesburg, South Africa, and the Company maintains QA/QC on all analytical work via the use of certified reference materials, field duplicates, and blank samples in addition to monitoring of internal laboratory check-analyses.

Executive Chairman David Hall, EuroGeol, is a Competent Person as defined by various international instruments and takes responsibility for the release of this information.

**\*\* ENDS \*\***

For further information visit [www.stratexinternational.com](http://www.stratexinternational.com) or contact:

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**Notes to editors:**

Stratex International Plc is an AIM-quoted exploration and development company currently focussing on gold and base metal opportunities in Turkey and Ethiopia. In Turkey, the Company's total resources stand at circa 1 million oz of gold (combined oxide and sulphide gold) and approximately 3.2 million oz of silver.

Stratex's proven strategy is to discover and develop new projects by focussed low-cost exploration, thus adding maximum value prior to optioning/joint venturing or selling on to a dedicated mining company. In this respect it now has four key associations:

1. A partnership with NTF, a technically capable and well-financed Turkish company, to rapidly develop the 542,318 oz oxide resources present at the Alt•ntepe and Inlice projects in Turkey.
2. An option/joint venture agreement with Centerra Gold Inc. to explore and develop the Öksüt project, a high-sulphidation gold discovery located in Central Anatolia in Turkey.
3. A joint venture agreement with Teck Resources of Canada, a major shareholder in Stratex, over the Hasancelebi project, a high-sulphidation gold project in central Turkey.
4. A joint venture with PLUS-quoted exploration company Sheba Exploration (UK) plc to earn-in to an initial 60% of the prospective 50 sq km Shehagne gold project in Ethiopia and explore targets in northern Ethiopia on a 70:30 joint venture basis. It also holds a 5.45% shareholding in Sheba Exploration (UK) plc.

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