

RNS Number : 87400
Natasa Mining Limited
16 March 2009

NATASA MINING LTD

Agreement with African Copper plc

Natasa Mining Ltd ('Natasa') has entered into an agreement with African Copper plc ('African Copper'), a non-related AIM and TSX quoted company, to provide African Copper with a short-term, interest free, secured US\$1.5 million loan ('the Loan Agreement') to assist it in meeting its immediate cash-flow requirements. The short term loan is to be repaid out of a proposed US\$6.5 million equity placement ('the Equity Placement') and a proposed US\$8.5 million debt facility ('the Debt Facility'). The Equity Placement and the Debt Facility (together 'the US\$15 million Facility') are also proposed to be provided by Natasa. The Loan Agreement proposes that Natasa and African Copper enter into a subscription agreement whereby Natasa would acquire a controlling interest in African Copper by way of the US\$15 million Facility. This investment will be fully funded from Natasa's existing cash resources.

African Copper holds a 100% interest in the pre-production Mowana Mine, located near Francistown in north-eastern Botswana. In addition, it holds exploration permits over areas adjacent to the mine. To date, it has invested (at current exchange rates) in excess of US\$123 million in the project. Further information about African Copper can be viewed on www.africancopper.com.

Under the terms of the Equity Placement, Natasa has agreed in principle, subject to the agreement of formal legal documentation, to subscribe for a placement of US\$6.5 million in new ordinary shares in African Copper, following which Natasa will hold a 70% interest in that company's equity. In addition, Natasa has agreed to make available a debt facility to African Copper in the sum of US\$8.5 million. The debt facility will be secured by the mine assets, bear interest at 12% per annum on funds drawn, and capital and interest will be payable from cash generated by the mining operations.

The US\$15 million Facility will be utilised by African Copper to settle in full their existing liabilities, settle the short-term loan facility (see below) and to provide working capital. Other than the Natasa loan, African Copper will have no debt.

Under the terms of the Loan Agreement, African Copper has provided Natasa with an exclusivity right, which prevents African Copper from, inter alia, entering into discussions with any other party in relation to any corporate transaction up until 15 May 2009.

The US\$15 million Facility is subject to certain conditions precedent including further documentation, African Copper's creditors being settled in full, approval by the African Copper shareholders and other requisite regulatory and Board approvals.

Subject to completion of the US\$15 million Facility, Natasa will deploy its experienced team of senior mining professionals to optimise financial performance from the African Copper assets. These include a total resource of 133.94 million tonnes, consisting of Measured and Indicated 87.67 Mt @ 0.71% Cu and Inferred 46.27 Mt @ 0.63% Cu (see later), a processing plant with 150 tonnes/hour nameplate feed capacity, and identified satellite deposits within contiguous exploration leases which follow the structure hosting the Mowana deposit.

As well as identifying the best mining methods and processing parameters to maximise the short and longer term potential of the mine, the team will be tasked to evaluate the upside financial impacts of on-site value adding, as well as cost-effective expansion of plant throughput capabilities beyond the 25,000 tpa copper output currently envisaged in the African Copper five year plan. Natasa believes that significant returns beyond the original expectations might be achieved.

About African Copper

African Copper's 100% owned Mowana mine commenced pre-stripping mining in January 2008 and achieved limited concentrate production in late 2008. As a result of the late commissioning of the plant and the significant reduction in the copper price, African Copper has found itself in a position of severe financial difficulty.

The Mowana mine is located close to Botswana's second largest

city, Francistown, in the north-eastern part of the country, in an area which has been mined for the past 400 years.

Geology

The Mowana Mine lies within a PaleoProterozoic sedimentary basin of the southern African Shield. The deposit is an epigenetic quartz-carbonate vein hosted copper deposit. The mineralization lies within a near-vertically dipping, extensive belt of the early Proterozoic Matsitama Supergroup metasedimentary rocks. Enclosed by sheared granite-gneisses and granites within the broader structural domain of the Bushman lineament.

The primary sulphide consists of chalcopyrite mineralization within a complex assemblage of quartz-calcite veins, breccias and carbonaceous calcareous sediments developed within a limestone horizon of the Matsitama Group sediments. The near surface parts of this zone have been enriched in a supergene blanket, while the parts closest to surface have been oxidized with the development of copper-carbonates and copper-oxide minerals.

The near surface tenor of the orebody at Mowana is characterized by the mixed nature of oxide and supergene enrichment extending from surface to a maximum depth of approximately 70m. With increasing depth, supergene chalcocite mineralization continues and dominates with a nominal transition to Chalcopyrite-bearing hypogene mineralization at around 150m below surface.

Resources

The Resource estimate was completed by Caracle Creek International Consultants of Sudbury, Canada in June 2007 to JORC, NI43-101 and SAMREC standards

Mowana Mine Resources: Measured + Indicated + Inferred (effective date; 26 November 2007)

0.1% Cut-off - Total Resource

Category	Tonnage Mt	Copper %	Contained Metal MM lbs Cu
Measured	42.45	0.65	611
Indicated	45.22	0.76	755
Total M + I	87.67	0.71	1,366
Inferred	46.27	0.63	639

The information in this report that relates to Exploration Results, Mineral

Resources or Ore Reserves is based on information compiled by Roger Shakesby, who is a Member of the Australasian Institute of Mining and Metallurgy and the Geological Society of Australia. He has a B.Sc from the University of Durham in Geology and Geography and has 45 years experience in the mining industry. His knowledge gained in PNG, the Philippines, the USA and Chile is relevant to the style of mineralisation and deposit formation in Botswana. Mr. Shakesby is a consulting economic geologist in sole practice.

Roger Shakesby has sufficient experience which is relevant to the style of mineralisation and the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Shakesby consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

A pit has been opened along a length of some 1.5 kilometres and ore has been exposed in the pit floor. In addition, a stock pile of material is available for processing.

Permitting

African Copper has a 25-year mining licence, valid from the end of 2006, and is subject to a 3% royalty payable to the Government of Botswana.

Processing

The process plant at Mowana is standard flotation process technology and has been designed to produce saleable copper concentrates from the treatment of approximately one million tonnes per annum of oxide, supergene and sulphide ores.

The process plant has two floatation circuits. Sulphide minerals are separated first, and tailings from the sulphide roughers are sent to an oxide circuit. Most other mineral species are recovered in the oxide flotation process. Concentrates are filtered to recover excess process water, as are tailings. Tailings will be dry stacked. Water recovered in the dewatering stages will be recycled to the various parts of the plant as process water.

Power

Power is supplied via a 132kV overhead line from a switching station on the national grid, 19km west of the site.

Water

Water for the entire plant is supplied from well fields approximately 13.5km north of the site and there is a 6,000 m³ dam, which will allow for three days retention time to enable ore processing in case of borehole failure.

Marketing

In January 2008, African Copper signed a five year, renewable "Take or Pay" off-take agreement with MRI Trading for 100% of all copper products shipped from the mine.

To date, given it is in a pre-production phase, African Copper has generated only limited revenue and has incurred substantial losses.

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This information is provided by RNS
The company news service from the London Stock Exchange

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