Igurubi Gold Project Update

07.04.2010 | Globenewswire Europe

AFRICAN EAGLE VENDS INTEREST IN IGURUBI GOLD PROJECT TO PEAK RESOURCES AS COMPANY FOCUSSES ON FLAGSHIP DUTWA NICKEL PROJECT

African Eagle and Australian explorer Peak Resources Ltd have agreed terms for Peak to acquire its 75% interest in the advanced Igurubi Gold exploration Project in the Lake Victoria Goldfield in Tanzania.

Under the agreement, Peak will issue shares on achievement of agreed milestones, in consideration for the 75% interest, in a transaction that values the project at some AUD$ 4.4M (£2.6M). The disposal will enable African Eagle to conserve cash for its other projects, notably its flagship Dutwa nickel project.

African Eagle's Managing Director, Mark Parker comments "This transaction is in line with African Eagle's transformation from explorer to producer and its stated intention to focus its efforts on developing the Dutwa oxide nickel project to feasibility and into production.

"We are very pleased that this agreement with Peak will assure continuing exploration of the Igurubi project, and will allow us to participate though Peak in the projects advancement and future success. This is likely to be the first of a series of deals relating to African Eagle's non-core assets. Our objectives from such deals are to ensure that all our legacy assets are properly investigated and explored in a timely fashion, to obtain fair value for our past investment and intellectual property and to free cash and management time for our Dutwa nickel discovery. "

To read Peak's announcement of the transaction, see www.peakresources.com.au <http://www.peakresources.com.au/>

The principal commercial terms of the agreement between Peak and AFE are:

1. Issue of AUD$250,000 in Peak ordinary fully paid shares within 14 days of satisfaction of certain Conditions Precedent, based upon the Volume-Weighted Average Price (VWAP) of Peak shares trading on ASX in the five trading days preceding the announcement that the transfer of AFE's interest has been completed.

2. Issue of AUD$500,000 in Peak ordinary fully paid shares on the later of the anniversary of the issue of the AUD$250,000 in Peak ordinary shares above and the issue of certain new mineral licences which are subject to the agreement. The price will be based upon the VWAP of Peak shares traded on ASX in the five days prior to allotment.

3. Payment of AUD$1 per resource ounce in Peak ordinary fully paid shares or in cash on announcement of an audited resource greater than 500,000 ounces.

4. Payment on first commercial production of AUD$1 million.

5. A Net Smelter Royalty of 2%, subject to the total of all non-government royalties not exceeding 3.5%.

The agreement and the consideration are conditional on certain undertakings by African Eagle in regard to grant or offer of tenure extensions.

Peak will expend US$500,000 on exploration on the project area within the first 12 months from the date of satisfaction of conditions precedent and a further US$1,000,000 within 24 months from grant of licence covering the project area.

Peak will grant to Zari Exploration Limited a 7.5% interest in Peak's interest in the Project, free-carried to completion of a Bankable Feasibility Study, in consideration for services provided by Zari.

African Eagle will provide technical and logistical support to Peak during the initial 12 month period.

These terms value the Igurubi project at around AUD$ 4.4M (£2.6M), in present value terms, using reasonable assumptions of success and size but not taking any account of future rises in Peak's share price.

African Eagle does not have any immediate plans to sell any of the Peak shares it will receive as part of this transaction, but may do so in future to help finance the feasibility study at its Dutwa nickel project.

For further information:

Mark Parker
Managing Director
African Eagle Resources plc
+44 20 7248 6059
+44 77 5640 6899

Euan Worthington
Chairman

+44 20 7248 6059
+44 77 5386 2097

Nicola Marrin
Seymour Pierce Limited, London
Nominated Adviser
+44 20 7107 8000

Charmane Russell
Russell & Associates, Johannesburg
+27 11 8803924
+27 82 8928052

Ed Portman / Leesa Peters
Conduit PR, London
+44 20 7429 6607
+44 77 3336 3501

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Unternehmen: African Eagle Resources PLC - ISIN: GB0003394813