

HD Australian Firm Expands Foothold in Tanzania

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Sep 12, 2014 (Tanzania Daily News/All Africa Global Media via COMTEX) -- AUSTRALIA based Gunson Resources will acquire a 100 per cent interest in 18 mineral sands exploration tenements, covering 2000km2 in Tanzania - the same geological setting as world class operating mineral sands projects in Kenya, Mozambique, Madagascar.

Significantly, all of the tenements are located within 20 kilometres of the coast, are easily accessible by road, and accessible to port facilities. The **acquisition** will supplement Gunson's construction ready Coburn Mineral Sands Project in Western Australia.

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Adding to the transformation changes, Gunson will gain former managing director of mineral sands behemoth Iluka Resources Mike Folwell as its new chairman to guide the exploration and growth plan.

Senior management will be beefed up, to include Mark Alvin (ex-Rio Tinto), a geologist with 20 years of experience in mine and exploration geology and a proven track record for discovery of Tier 1 Mineral Sands projects in Africa. Gunson will raise up to \$2.5 million and Share Purchase Plan to raise a further \$1.0 million.

The 18 tenements will be acquired via an **acquisition** of 100 per cent of the shares in mineral sands focused Strandline Resources Pty Ltd in an all scrip transaction.

Strandline's assets consist of 100 per cent working interests in 16 mineral sands exploration tenements, covering more than 1200 square kilometres along the under-explored coast of Tanzania.

As well it holds two exploration applications covering another 800 square kilometres of land along the same coastline. These are early stage exploration assets but there is a significant geological case that the Tanzanian coastline could be highly prospective for world-class economic heavy mineral sands accumulations.

The geological setting for Strandline's assets include the same source rocks, river systems, coast line, and trap sites as the world class operating projects in Kenya, Mozambique, and Madagascar.

There is strong evidence of high unit value mineral assemblages based on historical work and recent exploration by Strandline. Gunson Resources managing director Bill Bloking said: "This is a very exciting, transformational development for the **Company**.

"It supplements our construction ready Coburn Mineral Sands Project with large scale, highly prospective mineral sands exploration assets in an under-explored area of an established producing province.

"It has the potential to deliver a world-class 'company maker' asset, provides a strong management team and Board with an excellent mineral sands pedigree, and sets a platform for funding and ongoing market support.

"At the same time, our other development asset, the MG14/Windabout Copper Project at Mount Gunson, is making excellent progress and our nickel exploration assets near Fowlers Bay are progressing."

Subject to Gunson shareholder approval, Gunson will issue 166.67 million ordinary shares in the capital of the Company to the 16 Strandline shareholders, with each of these shares having an issue price of \$0.015 each.

With a deemed issue price of \$0.015 per share for each of the shares issued to Strandline shareholders, the total **purchase** price payable by Gunson is \$2.5 **million**.

A minimum of approximately 71 per cent of the shares which will be issued to key Strandline shareholders will be escrowed for a period of 12 months. No individual Strandline shareholder, together with their associates, will hold an interest of more than 19.99 per cent of Gunson.

Subject to Gunson shareholder approval, Gunson will issue up to 146.67 **million** ordinary shares at an issue price of \$0.015 per share, which is a 17 per cent discount to the 30 day VWAP to raise up to \$2.2 **million** (before costs) to fund the **Company**'s existing work commitments on Coburn and its other Projects as well as to fund the initial phase of exploration drilling and resource estimation in Tanzania.

The **Company** will enter into appropriate employment arrangements with the Board and Management of Strandline to ensure access to critical technical, management, and governance skills going forward.

Mike Folwell, former Managing Director of Iluka Resources, and Didier Murcia AM, a commercial lawyer with many years of experience in the **Mining** Sector and also the Honorary Counsul of Republic of Tanzania, will join the Board of the **Company** as Non-Executive Directors, replacing David Craig and Garret Dixon who will retire from the Board.

Folwell will be appointed Chairman. Bill Bloking will remain on the Board of the **Company** as a Non-Executive Director but will step down from the role of Managing Director.

He will be replaced by Richard Hill. Hill is a solicitor and a geologist with more than 19 years of practical experience as a mine based and exploration geologist in a range of commodities for several major and mid cap Australian mining companies;

Other members of the management team will include Mark Alvin, a Consultant Geologist with 20 years of experience in mine and exploration geology and a proven track record for discovery of Tier 1 Mineral Sands projects in Africa.

Brendan Cummins will also join the team, he is a Consultant Geologist with over 20 years of experience in mine and exploration geology within Australia, Africa, South America and China; and Asimwe Kabunga, a specialist in logistics and land access and acquisition in Tanzania.

The **Company** will change its name from Gunson Resources Limited to Strandline Resources Limited. The transaction remains conditional upon necessary shareholder approvals and no material change occurring for either party prior to the Completion Date.

ASX Limited has confirmed that the **Company**'s **acquisition** of Strandline is not a transaction that will require the **Company** to re-comply with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

- co gunaus : Gunson Resources Ltd | wesan : Iluka Resources Ltd
- **IN** i2114 : Copper Ore/Nickel Ore Mining | imet : Mining/Quarrying | i211 : Metal Ore Mining | ibasicm : Basic Materials/Resources | i231 : Non-metallic Mineral Mining/Quarrying
- NS cacqu : Acquisitions | ccat : Corporate/Industrial News | reqrmm : Suggested Reading Metals/Mining | c18 : Ownership Changes | c181 : Acquisitions/Mergers/Takeovers | cactio : Corporate Actions | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis | reqr : Suggested Reading Industry News
- RE tanza : Tanzania | africaz : Africa | austr : Australia | china : China | kenya : Kenya | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | eafrz : East Africa | easiaz : Eastern Asia
- IPD acquisition
- PUB All Africa Global Media
- AN Document AFNWS00020140912ea9c0003y