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Stratex International Plc ('Stratex' or 'the Company') Expansion into Ethiopia with Sheba Exploration Plc

Stratex International Plc, the AIM-quoted gold exploration and development ('E&D') company, has expanded its activities into Ethiopia, having acquired, for £40,000, a 5.6% interest in PLUS-quoted Sheba Exploration (UK) Plc ('Sheba') and signed a Binding Letter of Intent with Sheba to earn-in to an initial 60% of the prospective Shehagne project and explore new prospective targets and licence areas in northern Ethiopia on a 70:30 joint venture basis.

Highlights

- Expanding into Ethiopia with the acquisition of a 5.6% interest in Sheba, which explores for gold and base metals in Ethiopia
- Stratex to earn-in to an initial 60% of the highly prospective Shehagne project in northern Ethiopia, which contains extensive gold anomalies and drill-intersected mineralisation by expending £350,000
- 70:30 joint venture with Sheba to explore a large area of northern Ethiopia
- Ethiopia targeted due to favourable geology, legal/fiscal code and logistics

Stratex Executive Chairman David Hall said, "This is an exciting new development for Stratex. In Turkey, we have enjoyed considerable success in developing and adding substantial value to our projects before joint venturing them on to dedicated mining companies and we are keen to repeat this successful formula elsewhere.

"The Arabian Nubian Shield, which encompasses areas of Egypt, Sudan, Eritrea,

Saudi Arabia and Yemen as well as Ethiopia, is a region with high discovery potential as shown by Centamin's Sukari gold mine in Egypt, and Nevsun's Bisha gold-rich volcanogenic massive sulphide deposit in Eritrea. We believe that Ethiopia offers similar exciting opportunities for rapid low cost discovery and is not subject to many of the economic and political constraints that neighbouring countries are exposed to, such as product sharing agreements and security issues. Ethiopia is both logistically and financially an easy and cost effective place to explore. Sheba has already defined excellent gold exploration and development targets in northern Ethiopia and we are delighted to be working with them to further explore these projects."

Further Information

Stratex is acquiring 5.3 million ordinary shares which represents a 5.6% interest in Sheba for £40,000 through a private placement at 0.75p and is also entitled to 5.3 million matching warrants exercisable at 0.75p for two years. Additionally, Stratex and Sheba have signed a Binding Letter of Intent with respect to Stratex earning-in to an initial 60% of Sheba's prospective Shehagne Exclusive Exploration Licence ('EEL'), and the formation of a joint venture ('JV') with a view to exploring and acquiring licences in northern Ethiopia.

The 50 sq km Shehagne EEL is located in a highly prospective area near the town of Adwa in northern Ethiopia. Under the terms of the agreement, subject to renewal of the concession for a further year by Sheba, Stratex can earn 60% of the Shehagne EEL by expending £100,000 in the initial three months and a further £250,000 over the subsequent 18 months. It may also earn a further 20% by taking the project to completion of a feasibility study.

The Shehagne EEL has already been explored by Sheba and extensive gold anomalism in soil has been identified. The main target to date is the Tsemmetti prospect in the south-eastern part of the EEL where Sheba has defined a large >100 p.p.b. gold-in-soil anomaly over a three kilometre strike. Reconnaissance percussion drilling has returned results including:

- Hole 1 - 0 to 12 metres grading 1.14 g/t Au
- Hole 3 - 0 to 23 metres grading 0.54 g/t Au
- Hole 4 - 0 to 19 metres grading 0.62 g/t Au

These holes were only drilled to vertical depths of 40 - 52 metres, however location of the drill sites were limited by access and funds for drill road construction.

Stratex intends to undertake regional sediment sampling (minus 200 mesh stream) of the entire 50 sq km concession and complete systematic exploration of prospects already defined.

Additionally Stratex and Sheba have agreed a JV on a respective 70:30 basis, where the two companies will combine forces to explore new prospective targets and licence areas in northern Ethiopia. Potential licence areas, which currently are under review, the Board believe, have excellent potential for gold+/-copper and massive sulphide occurrences. Under the terms of the new JV, Sheba may earn up to 50% of the JV by reimbursing Stratex a further 20% of the total exploration costs.

Ethiopia

The Federal Republic of Ethiopia's mineral resources' potential is high - gold copper zinc and potash are the major minerals mined in Ethiopia. Exploration and mining activities in Ethiopia are governed by Mining Proclamation No. 182/1994 and subsequent amendments. The terms and conditions are similar to those in a number of African countries and easy to understand and apply. The incoming party is entitled to secure the rights to 100% of the mineral rights of a specified area (allowing for the government to have an option to take a 2% equity holding). Surface rights must be negotiated with surface mineral owners, although rights of access and occupation are written in the law. The fiscal conditions in Ethiopia are reasonably conducive to encouraging investment with a 35% company tax.

The code protects the rights of the larger scale operators to secure mining titles to their exploration areas, while giving the rights to locals to carry out artisanal operations. Initial prospecting can be carried out under the terms of an Exclusive Prospecting Licence, which gives the holder exclusive rights to the area concerned for a term of one year and thereafter gives the incumbent the right to apply for an EEL, using the same modified area. An EEL is valid for an initial term of three years and may be renewed for two terms of one year each, providing the commitments to an exploration programme and expenditure are met and regular reporting is maintained. Applications for extensions beyond this five year term would be dependent upon the amount of work undertaken and the commitment to ongoing work and expenditure commitments.

The Licensee has the right to assign or transfer rights to a third party. The Licensee also has the right to apply for either a small scale Mining Licence (10 year term renewable for a further 10 years) or a large scale Mining Licence (20 year term renewable for a further 5 years). Whereas exploration and mining rights may be granted to any new applicant for a relinquished prospecting area, the law specifically

refers to the right of the original permit holder in respect of future applications for higher licences, provided that work and expenditure commitments have been fulfilled.

In July 2008 BHP Billiton was granted a potash-prospecting licence for a 17,000 square-kilometre area in northern Ethiopia. The country is Africa's biggest coffee producer but is keen to attract investment into its mining industry to diversify its economy. Recently, Dwyka Resources Limited took over Minerva Resources plc for its Tulu Kapi gold project and Yubdo platinum project in western Ethiopia. Additionally, the only industrial scale gold mine in Ethiopia is Legademi operated by MIDROC Ethiopia ('MIDROC'), a Saudi controlled company. This is located 500 km south of the capital, Addis Ababa, and in another block basement separated from the north by the East African Rift Valley. MIDROC acquired the mine from the Ethiopia government in 1997 for US\$172 million. Since then, according to an article in Mining Africa Review 2006, it has spent millions to enhance capacity. The mine has been producing on average 113,000 oz gold per year in the period 2000 to 2005 but no costs for production have been released.

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

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For further information visit www.stratexinternational.com or contact:

David Hall / Bob Foster	Stratex International Plc	Tel: +44 (0)20 7830 9650
Tim Metcalfe/ Martin Davison	Hanson Westhouse Limited	Tel: +44 (0) 20 7601 6100
Jason Bahnsen	Fox Davies Capital	Tel +44 (0)20 7936 5230
Isabel Crossley/ Felicity Edwards	St Brides Media & Finance Ltd	Tel: +44 (0) 20 7236 1177

Notes to editors:

Stratex International Plc is an AIM-quoted international exploration and development company currently focusing on gold and base metal opportunities in Turkey and Ethiopia. Its proven strategy is to discover and develop new projects

by focused low-cost exploration, thus adding maximum value prior to optioning/joint venturing or selling on to a dedicated mining company.

Stratex has joined with NTF, a technically capable and well-financed Turkish company, to rapidly develop the 542,318 oz oxide gold resources present at the Altintepe and Inlice projects in Turkey. The Company has also signed 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. Additionally it has signed a Binding Letter of Intent with Sheba Exploration (UK) plc to earn-in to an initial 60% of the prospective 50 sq km Shehagne project and explore northern Ethiopia on a 70:30 joint venture basis.

Stratex's portfolio covers 11 licence blocks in central and western Turkey totalling approximately 1,690 sq km and the highly prospective Shehagne project in northern Ethiopia which it is working in tandem with Sheba to develop. The Company's latest discovery is the Öksüt high-sulphidation gold deposit with early drilling reporting best intersections of 270.2 m from surface averaging 1.22 g/t Au and 62.45 m grading 2.16 g/t Au from 14.75 m down hole. Additional key projects include Hasançelebi - a multi-zone high-sulphidation system extending over a distance of 700 m, Doğanbey - one of four porphyry gold targets within the Konya Volcanic Belt, Muratdere - a porphyry gold-copper-molybdenum occurrence, and Karaağaç - a partially exposed, gently dipping gold-bearing zone. Ongoing drilling and exploration programmes are underway or anticipated on a number of these licences, focused on increasing Stratex's total resources, currently standing at circa 1 million oz of gold and approximately 3.2 million oz of silver.

The Company has a healthy project pipeline portfolio, which it continues to strengthen through the acquisition of additional licences. Additionally, Stratex is actively seeking new opportunities in areas with good geological potential, favourable legal/fiscal codes and easy workability where it can apply its successful model as shown by Turkey.

Sheba Exploration (UK) plc

Sheba is a PLUS-quoted company with 90.127 million shares in issue and a market capitalisation of around £675,000. The company's subsidiary has been exploring in Ethiopia for the past ten years during which time it has discovered or developed a varied portfolio of gold and copper prospects on its Mereto, Shehagne, Una Deriam, Winibo, Finarwa and Dongwar concession areas. The company's strategic aim is to make new discoveries in previously unknown areas based on effective low-cost

prospecting techniques, involving a high level of ground coverage and soil/rock sampling.

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