

## Leopard Resources NL

2<sup>nd</sup> February 2015

Companies Announcements Office

ASX Limited

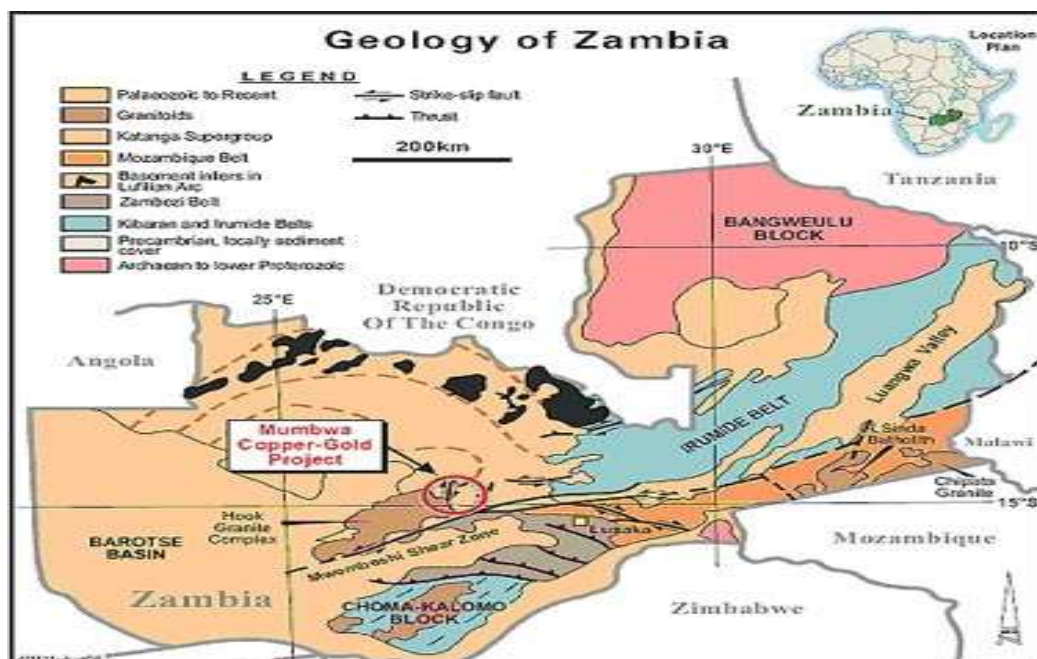
20 Bridge Street

Sydney NSW 2000

### Copper transaction and \$2.1m funding

The Board of Leopard Resources N.L. (ASX: LRR, “the **Company**” or “**Leopard**”) is pleased to advise that further to the announcement of the 28<sup>th</sup> of January 2015 the company has entered an agreement to complete the purchase of a 100% interest in a highly prospective Copper project located in The Republic of Zambia (“**Project**”) (“**Acquisition**”), subject to due diligence, shareholder and regulatory approval (“**Acquisition Agreement**”).

The Project is contained within the highly prospective copper province located in the Republic of Zambia which has an extensive Copper production history. The concession over the past 6 months has shipped over \$3.1 million of copper ore under its current small scale open pit mining operations typical of the region. The concession is Mineral Property Title 10456 located within the Mumbwa district in close proximity to the Blackthorn Resources concessions. The current concession holder and operator has in place a number of off take agreements and Leopard is negotiating to purchase the current stock pile of ore located at site.



The concession holder is selling into the local spot market along with various metals traders and Leopard believes the concession holds significant upside potential for both Copper and Gold mineralisation. It is the company's intention to undertake further drilling and exploration to expand the potential of the property while continuing with the current operator's program. The exploration program will focus on extending the mineralisation surrounding the current trenching and pitting that has been developed by the concession holder.

The Project is located within the famous big concession area of the Mumbwa District in Central Province with substantial Copper, Iron and Gold outcrops on the tenement. This area was mined in the late 1800s as well as 1900s. Visible is bornite copper as well as other oxide ores. The area includes a mineralized hill which will become the target for further exploration on completion of the transaction.

### **Material terms of Acquisition**

A summary of the key terms of the Acquisition Agreement and associated transactions is set out below.

- **Consideration:** The Company has agreed to pay USD \$10.5 million for 100% interest and rights to the project, subject to the satisfactory completion of due diligence, shareholder and regulatory approval ("**Consideration**"). Pursuant to the terms of the Acquisition Agreement, USD\$1 million of the Consideration is payable in cash, with the remaining USD\$9.5 million to be funded through the issue of a convertible debenture to the vendor ("**Debenture**").
- **Conditions:** The Acquisition is subject to the satisfaction of the following key conditions:
  - **Formal agreement:** Entry into formal documentation in relation to the Acquisition and associated issue of the Debenture (further information in respect of the Debenture is outlined below);
  - **Shareholder and regulatory Approvals:** The Company obtaining all necessary shareholder and regulatory approval; and
  - **Due diligence:** The Company completing due diligence in respect of the Acquisition to its satisfaction within 30 days
- **End date:** The end date for completing the Acquisition is 15 May 2015.

### **Funding for Acquisition**

- **Rights Issue:** Leopard is also pleased to advise that it has reached agreement with Hanson International Limited, a private equity fund, to underwrite a rights issue on the basis of one LRR share for each share held at an issue price of \$0.001 per share to raise up to \$2.1 million to complete the proposed Acquisition, fund exploration of the Company's projects and provide additional general working capital.
- **Placement or debt funding:** The Company is also currently in discussions with various parties to raise immediate general working capital of up to \$250,000 by way of either debt or equity to fund its due diligence, rights issue and completion of the proposed transaction.

The Company proposes to convene a general meeting in accordance with the indicative timetable outlined at the end of this announcement to seek shareholder approval in respect of (among other things) the above capital raisings.

An indicative capital structure table is included at the end of this announcement, together with an indicative timetable for the completion of the Acquisition and associated capital raisings.

## Convertible Debenture

As noted above part of the Acquisition will be funded through the issue of a USD\$9.5 million convertible debenture (vendor financing), which will enable the Company to fund the majority of the Acquisition without reducing its cash flow. The terms of the debenture are a 3% per annum coupon rate at handover and shall increase to 5% when the project achieves commercial production. The debenture shall be for a term of not less than 3 years and shall be secured by the company's 100% interest in the project. The vendor is not a related party.

The debenture will be paid down from the net revenue proceeds on the basis of 50/50 between the holder and the company, with the debenture holder 50% applied to repayment of the debenture. The parties also agree, subject to various conditions (including shareholder and regulatory approval), that the debenture holder can (at its election) convert its debenture into LRR shares at a 20% discount to market at any time up to a maximum of 19.9% of the company's issued capital.

## Corporate

The Company believes this exciting project will complement its Cable and Missions project. The Cable and Missions Project is located approximately 7km north of the **Gold Fields Darlot - Centenary Gold Mine (3Moz)**. The Company is currently continuing its Preliminary Economic Assessment (PEA) at its Cable & Missions gold project with further updates expected.

Yours faithfully

**Craig Willis**  
**Director**  
**Leopard Resources N.L**

Leopard Resources NL Tenement Schedule as at 30 December 2014

<b>Tenement Designation</b>	<b>Project Name</b>	<b>Location</b>
E37/747	Cables and Mission	W. Australia
E45/2475	Maroochydore	W. Australia
Los Pinos	Nacimiento	New Mexico, USA
No mining tenements were acquired or disposed of during the quarter		
The Company holds no beneficial percentage interests through the farm-in or farm-out agreements at the end of the quarter, nor did the Company acquire or dispose of any beneficial percentage interests in farm-out or farm-in agreements during the quarter.		

	<b>Fully Paid Ordinary Shares</b>	<b>Partly Paid Shares</b>	<b>Options</b>
Current issued capital	2,073,350,092	4,000,000	696,666,667
Consideration Shares issued pursuant to Transaction	Nil	Nil	Nil
Placement Issue	250,000,000*	Nil	Nil
Rights Issue	2,323,350,092*	Nil	Nil
Debenture Conversion	950,000,000***	Nil	Nil
Total on completion of Transaction	5,596,700,184	4, 000,000	696,666,667

### **Indicative Capital Structure Post Transaction**

**Notes:**

\*Assuming the Company proceeds with an equity raising as opposed to debt finance and an assumed issue price of \$0.001 per LRR share.

\*\*Assuming a rights issue on the basis of one LRR share for each share held at an issue price of \$0.001 per share

\*\*\*Assuming a share price based on 80% volume weighted average price of shares upon conversion (based on the price of LRR shares as at 27.01.2015, when the issue price was \$0.001 per LRR share).

### **Indicative Transaction Timetable**

<b>Event</b>	<b>Date</b>
Expected closing of Placement (if undertaken in place of debt finance)	06 February 2015
Dispatch Notice of Meeting	23 February 2015
General Meeting of LRR shareholders	25 March 2015
Despatch of Rights Issue prospectus	25 March 2015
Issue of Rights Issue Shares to Shareholders	23 April 2015
Completion of Acquisition and general transaction	05 May 2015

**Note:** The above timetable is indicative only and subject to change without further notice to security holders.