



17 June 2015

Shareholder Update

Callabonna Resources Limited ("Callabonna" or the "Company") is pleased to provide an update regarding its acquisition of 100% of the issued share capital of Alice Queen Holding Pty Ltd ("Alice Queen") (announced on 12 March 2015) and the Ansongo Manganese Project.

Alice Queen owns the majority interests (84.5% and 90% respectively) in the Horn Island Gold Project ("Horn Island") located in the Torres Strait and the Looking Glass Copper/Gold Porphyry Project ("Looking Glass") a copper/gold porphyry target which sits within the Lachlan Fold Belt in northern New South Wales.

The Company has now concluded its initial due diligence program and elected to complete the Alice Queen acquisition and associated capital raising. The required shareholder documentation to consider the proposed transaction will include a notice of meeting and independent experts report as well as prospectus for the capital raising all which is required to re-comply with the ASX listing rules as announced on 27 April 2015.

Further to the announcement by the Company on 6 March 2015, the Company has received advice from its joint venture partners, Tassiga Ltd (Tassiga) that Mali Manganese has succeeded in a review against an earlier decision from the Administrative Supreme Court affecting the transfer of the Ansongo mine lease in south-eastern Mali. The court decision has affirmed the transfer of the Ansongo mining lease to Mali Manganese by Decree 718 of 20 December 2012 was valid and declares the application against that Decree inadmissible.

Given the lapsed period, following the Administrative Supreme Court ruling of 5 February 2015 cancelling the transfer of the mining lease to Mali Manganese, during which all contractual arrangements between the Callabonna and Tassiga have been subject of force majeure, Callabonna will seek clarity on the present and future status of matters affecting Mali Manganese; its assets, liabilities and our agreements.

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In light of this court ruling, Callabonna will seek to engage with Tassiga to find an agreed commercial solution for the Ansongo Project and to adjust the arrangements between them, recognising amongst other things the significant changed circumstances as a consequence of the force majeure.

This court decision and any discussions will not impact the acquisition agreement Callabonna has entered into with Alice Queen and its intention to actively pursue its Horn Island and Looking Glass exploration projects.

Contact Details

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