



### ASX Announcement:

08/09/2014

Australian Securities Exchange

Code: ORD

### **Board of Directors:**

Frank Zhu  
*Managing Director*

Bruce McInnes  
*Chairman*

Sean Zhou  
*Non-Exec Director*

## ORD SIGNS OPTION AGREEMENT FOR DIVESTMENT OF SARCO INTEREST

### Highlights:

- Option agreement between Southwest Pacific Bauxite (HK) Limited and Ord has been signed with Ord to receive a \$300,000 option fee
- Option agreement allows for 12 months exclusivity for Southwest to complete the transaction; and
- If option is exercised by Southwest, Ord will receive \$2m cash and \$3m of Southwest shares (or further cash payment)

### **Overview:**

Further to ASX announcements made on 16<sup>th</sup> May 2014 and 27 August 2014, Ord River Resources Limited (ASX: **ORD**) ("**Ord**" or "the Company") is pleased to announce Southwest Bauxite (HK) Limited ("**Southwest**") has formally entered into an option agreement with Ord .

Southwest has 12 months exclusivity from the date of signing the option agreement to complete the transaction. If Southwest exercises the Option prior to the conclusion of the option period, the parties are bound by a conditional Share Sale Agreement ("**SSA**").

Ord must refund the option fee if:

- one of the characteristics of the Project's assets disappears or is so materially altered that it substantially alters the economic or commercial value of the transaction.
- any rights of pre-emption are exercised over Ord's equity in SARCO or over any of the Project's assets by way of a change of control provision or otherwise.



If the option is exercised, the purchase price of Ord's SARCO interest will be \$2 million in cash and \$3m in Southwest shares (or further \$3m cash payment). The option fee payment would be treated as part of the payment of the sale price. Standard escrow provisions will apply to the Southwest shares.

**For further information, please contact:**

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**About Southwest Pacific Bauxite (HK) Limited:**

*Southwest is an emerging bauxite producer with projects in the Solomon Islands and Cape York, Queensland. Southwest is awaiting the granting of a mining licence for Vaghena Island having completed a Feasibility Study during 2014. First production is scheduled for late 2015. The Company is pleased to secure an Option Agreement over the Laos Bolaven Bauxite Project which comprises a substantial bauxite resource close to Chinese markets. The company intends to list through an initial public offering on the Singapore Stock Exchange in 2015.*