



## MANYINGEE JOINT VENTURE WITH PALADIN ENERGY LIMITED

MGT Resources Limited (MGT) is pleased to announce that it has signed a binding term sheet with Paladin Energy Limited (Paladin) (ASX:PDN) over Manyingee Mining Leases (M08/86, M08/87 M08/88) (Manyingee Uranium Project) in North Western Australia.

On closing of the transaction, MGT will acquire a 30% initial interest in Manyingee for US\$10 million cash and will form a Joint Venture over the project with Paladin (Manyingee JV).

MGT will then have an option to acquire an additional 45% of Manyingee JV from Paladin for US\$20 million cash, exercisable for 12 months following Manyingee JV's preparation of a plan to conduct a field leach trial for uranium extraction by in-situ recovery method.

Under the terms of the agreement, MGT will issue Paladin options to subscribe for new shares equivalent to 5% of MGT's shares outstanding for a period of 12 months from closing of the transaction at A\$0.06 per share; and options to subscribe for new shares equivalent to 5% of MGT's shares outstanding for a period of 24 months from closing of the transaction at A\$0.08 per share.

Paladin will issue MGT options to subscribe for new shares equivalent to 2% of Paladin's shares outstanding for a period of 12 months from closing of the transaction at A\$0.35 per share; and options to subscribe for new shares equivalent to 2% of Paladin's shares outstanding for a period of 24 months from closing of the transaction at A\$0.45 per share.

The transaction is conditional on definitive documentation, regulatory approval, financing and a vote of MGT's shareholders. MGT's directors have irrevocably agreed to vote in favour.

### **Executive Chairman, Mr Jonathan Back commented:**

*"We announced earlier this year that MGT is pursuing a new strategy of seeking opportunities in the uranium sector, working with our investor partners from China and elsewhere. We are therefore delighted to be able to announce this prospective deal with Paladin Energy Limited for the joint development of the Manyingee Project in Western Australia. We believe that this is a very attractive opportunity for MGT, and that, working with Paladin, we can bring this project into operation to deliver significant value to all our shareholders. We continue to seek other uranium opportunities as we have a very firm and positive view on the outlook for uranium, given the increasing importance of civil nuclear power in China and many other markets."*

## ASX Release

21 July 2016

### ASX CODE

MGS

### REGISTRY

Computershare

### SHARES ON ISSUE

483,066,131

# MGT

Resources Limited  
Suite 1305, Level 13,  
109 Pitt Street  
Sydney NSW 2000  
Australia