



## **Target Resources plc (AIM: TGT) announces**

### **new mining management arrangements**

Target Resources plc (“Target” or “the Company”) announces that it has signed a contract with MinEx Group, the mining and engineering consultants, to take responsibility for executing the Company’s detailed mining plan (the “Mining Plan”) for its existing 4,200 acre diamond leases in Sierra Leone.

Execution of the Agreement is conditional on Target raising a minimum of US \$15 million in debt or additional equity which will be used to acquire the mining equipment and infrastructure which the Company and MinEx have agreed are necessary. The Company is currently in active discussions with lenders and investors to raise this amount.

MinEx provides more than fifty independent engineering and geological consultants as well as management services to the geotechnical, mining and associated industries. The MinEx team will be led by Steven Canby, who was previously employed in a technical capacity by both Anglo American and De Beers. Mr. Canby has provided consultancy services to more than 30 mining companies during his 28 year career.

MinEx has reviewed Target’s assets and operations in the Kono region in Sierra Leone since November 2006, and has assisted the Company in the completion of a detailed Engineering, Procurement & Construction Management (“EPCM”) project as well as the Company’s Mining Plan.

Since May 2007, MinEx has deployed its proprietary resonance acoustic probing (“RAP”) seismic technique in some 600 acres of Target’s Sandoh and Nimikoro mining leases. RAP, which is suitable for use in areas of river sediment, facilitates the accurate determination of palaeo-channel shapes and locations. The results of this initial deployment have been analysed and corroborate the SRKES Independent Competent Person’s report in the Company’s Admission Document of July 2006 as well as Target’s own tests. Furthermore, the results have enabled the Company to pinpoint specific areas within the overall area sampled, for dredging. In the event that the Agreement does not take effect, Target will have no liability to MinEx for the latter’s costs incurred for work to date.

The key aspects of the Agreement are that:

- MinEx will provide sufficient personnel to enable Target to execute its Mining Plan;
- MinEx will assist Target in identifying appropriate equipment required to execute its Mining Plan (all equipment will be purchased and 100% owned by Target);
- MinEx will provide management of operations for a three and a half year period (which may be renewed by the parties, subject to agreement). In return, MinEx will be entitled to a percentage of Target’s diamond and gold revenues, after deducting local operating costs, at a level which is in line with standard market practice;
- Target retains full ownership of the diamonds and is responsible for their sale;
- Target will retain overall direction of the Company’s operations and strategy.

Steven Canby of MinEx stated: "MinEx’s involvement with Target was initially as a geophysical consultant; work we have been doing successfully over the years for our clients. However, Target’s results were sufficiently encouraging that we committed a substantial part of our time and several of our most experienced engineers, to design and execute an EPCM project, and subsequently to assist the Company with

