
Mambare nickel cobalt project in Papua New Guinea extended

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Proactive Investor reported that the exclusivity period agreed with Sydney based Direct Nickel Private Limited in connection with assessing the possible joint development of Regency's Mambare nickel cobalt project in Papua New Guinea has been extended indefinitely by mutual agreement.

Regency and DNi signed a non binding MoU in August over developing Mambare and the partners granted each other a period of exclusivity up to October 1st 2009 in which they would not negotiate with or furnish information to any third parties on the project or the MoU.

Since the signing of the MoU, DNi has carried out a due diligence visit to Mambare and teams from the 2 companies have been working closely together to assess new drill data and digitize other data, look at possible outcomes and formulate exploration strategies.

Regency said that this work is regarded as having been productive by both parties and the exclusivity period has been extended indefinitely subject to one month's notice of termination on either side.

It said that "The size and grade potential of Mambare on the one hand and the technological leadership of DNi on the other have become more evident to the parties over the last weeks and it is their intention to continue to work together on the next stages of development. Further announcements will be made in due course."

The MoU envisages that the partners work towards a proposed transaction which will pool Regency's interest in Mambare with DNi's lateritic nickel/cobalt treatment technology in a new company in which both parties will have shares which will have non exclusive licensing arrangements for the DNi process and which will raise funding for the further development of Mambare including a pilot plant.

DNi would assume the role as project operator in the new company and both parties would be represented on the board and in the management of the new company.

(Sourced from Proactive Investors)

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