

18 December 2013

CEB Resources plc

("CEB" or "the Company")

### **CEB signs its first Exclusive Option Agreement over Australian Base Metal Project.**

CEB Resources plc (AIM: CEB) ("CEB" or the "Company") is pleased to announce an exclusive option agreement with ASX-listed company Balamara Resources (ASX: BMB) ("BMB") to farm into its Peelwood Project located in NSW, Australia.

Under the agreement CEB can earn into 49% of Peelwood at its election by spending A\$1.2 million via three tranches paid over the next 12 months, split as follows:

- Earns into 20% via initial tranche of A\$400,000, payable within 30 days of the signing of the definitive agreement.
- Earns into a further 15% (CEB total 35%) within 6 months of the definitive agreement via a second tranche payment of A\$400,000.
- Earns into a further 14% (CEB total 49%) within 12 months of the definitive agreement via a third tranche payment of A\$400,000

This agreement allows Balamara to continue to add value at Peelwood as it spends the proposed A\$1.2 million. This utilizes the experience Balamara has developed at the Project over the past five years. CEB will play a role on the technical committee to oversee development at Peelwood but will rely on Balamara to manage this project on the ground going forward.

#### Peelwood Project

Peelwood is an advanced zinc-copper project owned 100% by Balamara with a JORC compliant resource as follows:

| Resource                            | Category  | Tonnes  | Zn %  | Cu % | Pb %  | Ag g/t | Zinc equivalent<br>*** |
|-------------------------------------|-----------|---------|-------|------|-------|--------|------------------------|
| Peelwood North *<br>(1% Zn cut off) | Indicated | 597,000 | 4.5%  | 1.0% | 0.6%  | 15 g/t | 9.2%                   |
|                                     | Inferred  | 39,000  | 3.0%  | 1.1% | 0.3%  | 13 g/t | 7.8%                   |
|                                     | Total     | 636,000 | 4.4%  | 1.0% | 0.5%  | 15 g/t | 9.0%                   |
|                                     |           |         |       |      |       |        |                        |
| Peelwood South **                   | Inferred  | 259,000 | 2.82% | 0.3% | 1.28% | 17 g/t | 5.45%                  |
|                                     | Total     | 259,000 | 2.82% | 0.3% | 1.28% | 17 g/t | 5.45%                  |
|                                     |           |         |       |      |       |        |                        |

|  |  |                |              |            |              |               |             |
|--|--|----------------|--------------|------------|--------------|---------------|-------------|
| <b>Combined Resources - Peelwood Project</b> |  | <b>895,000</b> | <b>3.94%</b> | <b>0.8</b> | <b>0.73%</b> | <b>16 g/t</b> | <b>8.0%</b> |
|--|--|----------------|--------------|------------|--------------|---------------|-------------|

Table 1: Peelwood JORC compliant Resource

\* Peelwood North Oct 2008 resource was calculated by Chris Black of Cube Consulting Pty Ltd.

\*\*Peelwood South resource was estimated by Kevin Alexander, Chief Geologist Balamara Resources.

\*\*\*The zinc equivalent formula and various variables for calculation are outlined in the section entitled "Description and notes on Peelwood North and Peelwood South Resource Estimates."

**Peelwood also has a high grade JORC compliant reserve of 360,000 tonnes at 6.10% zinc, 1.45% copper 0.75% lead and 23g/t silver.**

Peelwood is an advanced project at a pre-production stage with a completed bankable feasibility study, which includes geological assessment, resource model development, mine optimisation and scheduling, metallurgical testing, engineering and plant construction assessment, and commercial analysis.

Metallurgical test work indicates recoveries in excess of 95% for both copper and zinc, with a clean concentrate produced for each.

Approximately 90% of work to deliver the Environmental Impact Study is also completed on a proposed start-up via an open pit at Peelwood North, producing circa 90,000 tonnes per annum over four years. The mine is considered relatively straightforward to develop due to no native title issues, the orebody being close to surface, amenable metallurgy, low capital and a quick payback.

However Balamara has previously indicated that Peelwood requires further reserves in order to extend the mine life as a pre-requisite to start-up, and both parties have agreed to pursue a strategy ahead to utilise CEB's cash to target increased mineable tonnes.

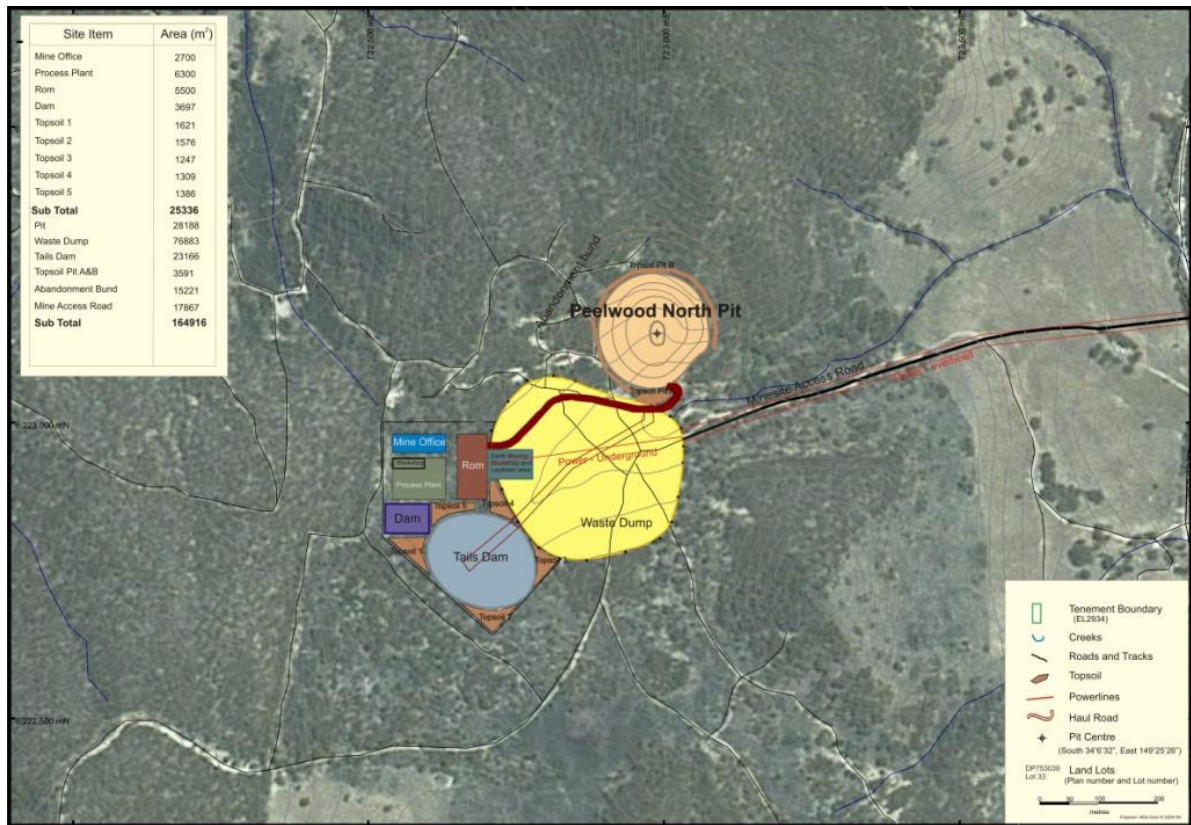


Figure 1: Proposed mine site layout – Peelwood Project

## Work Programme 2014

**Consequently the first tranche of cash injected by CEB will be used to conduct a geophysical programme at Peelwood to fly aeromagnetic surveys over previously identified areas of interest within the concession area, close to the proposed mine site, where previous drilling or sampling has indicated mineralisation.**

If this geophysical work is successful in locating new targets then the subsequent tranches of cash will be used for further drilling to target incremental tonnage to the existing resource.

A substantial increment of tonnes to the existing feasibility study will add considerable value to this Project via a higher throughput over a longer mine life, which will significantly impact the Net Present Value.

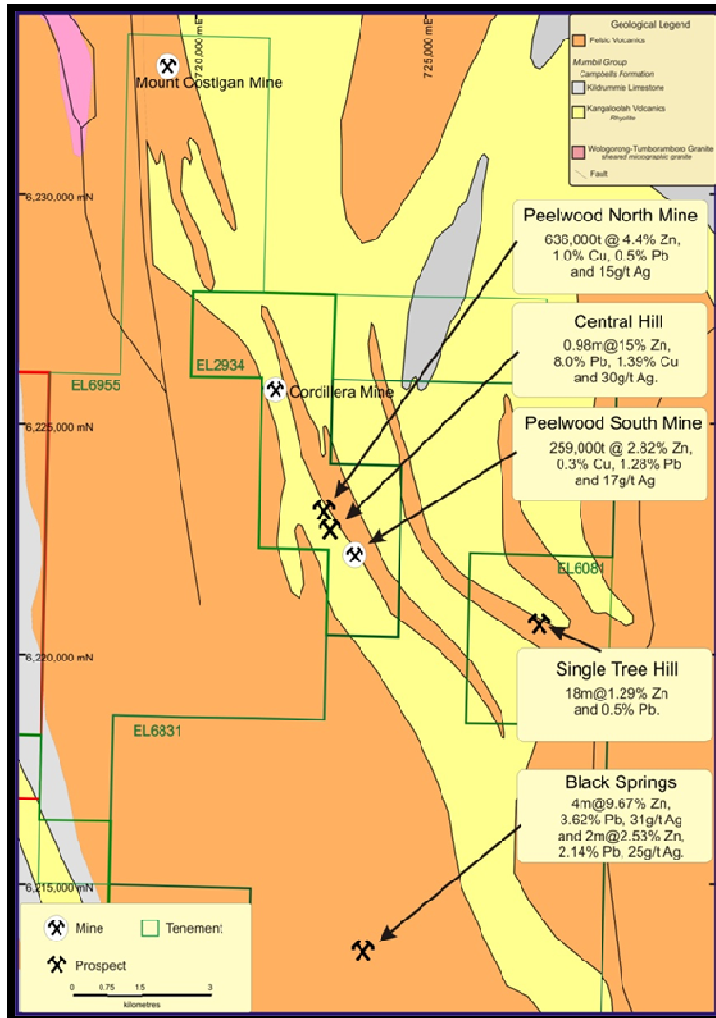


Figure 2: Likely additions to mine life – target areas

CEB Chairman, Cameron Pearce stated “We are delighted to have signed an exclusive option agreement with Balamara Resources which gives us the option to continue to develop Peelwood. We are particularly bullish on zinc and copper ahead and this partnership will hopefully become the catalyst to bring this mine into production.”

He added “Balamara Resources is both a strategic partner and experienced mining company with significant expertise to make this happen and we look forward to a long and mutually beneficial relationship ahead.”

**Competent Persons Statement:**

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Kevin Alexander. Mr. Alexander is a consultant to CEB Resources. Mr. Alexander is a member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists.*

*He has sufficient experience that is relevant to the style of mineralization under consideration and to the activity which he is undertaking to be qualified as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting on Exploration Results, Mineral resources and Ore Reserves”. Mr. Alexander consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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