

RNS Number:
Sunkar Resources PLC
04 January 2013

SUNKAR RESOURCES PLC

("Sunkar" or the "Company")

OPERATIONS UPDATE

Sunkar Resources plc. (AIM: SKR) announces the following operational update.

AsiaCredit Bank ("ACB") Credit Line

AsiaCredit Bank, a commercial bank registered in Kazakhstan, has approved a credit line (the "Loan") for the Company's wholly owned subsidiary, Temir Service LLP ("Temir"). ACB's Loan provides up to USD 3.0 million in debt financing for a term of up to 3 years. The Loan bears interest at a rate of 9.5 per cent. per annum, payable monthly, during the term of the Loan.

Sunkar intends to use the Loan to fund the Company's working capital and to repay, in full, the outstanding debt amount of USD 1,749,000 to ATF Bank Kazakhstan ("ATF"). The Company is pleased to confirm that the repayment of the loan to ATF has now completed and therefore the Company and ATF are now in the process of completing requisite documentation.

Accordingly, the Company's cost of bank borrowing has reduced from 14 per cent. to 9.5 per cent. per annum.

Bankable Feasibility Study

As a result of the delay between the Preliminary Information Memorandum on Feasibility Study (reported on 4 February 2011) and the Feasibility Study, the review of technical, operational and financial assumptions have taken longer than anticipated to complete. The Company now expects to receive the Final Feasibility Study later this quarter.

Earth Moving Contract

As announced on 10 October 2012, Temir has entered into an earth moving contract with the general contractor building a new railway line in Western Kazakhstan. Temir has now completed 87,000 out of the contracted 1,368,000 cubic meters of rail track foundation. The contracted volume is scheduled to be completed during Q2 2013.

Phosphate Rock and DAR Sales

In the period from April to December 2012, the sale of Phosphate Rock and DAR to Russian industrial users and Russian/Kazakh farmers amounted to 26,183 tonnes.

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Editors Notes

Sunkar Resources plc

Sunkar Resources plc, through a wholly owned subsidiary Temir Service LLP, operates a phosphate rock mine in Aktobe Oblast, North West Kazakhstan. Temir Service LLP holds a Subsoil Use Contract to part of the Chilisai Phosphate Rock Deposit. The contract area is estimated to contain 800 Mt of phosphate ore.

Sunkar's strategy is to build a world class integrated ammoniated phosphate fertilizer plant with low operating costs. Sunkar's low cost base derives from its near surface phosphate rock deposit, access to sulphur from the nearby North Caspian oil and gas fields.

AsiaCredit Bank JSC

AsiaCredit Bank JSC is a commercial bank ("Bank") registered in Kazakhstan. The Bank was established as Joint Bank "LARIBA BANK" JSC in 1994. In 2009, the Bank changed its name to AsiaCredit Bank JSC. The Bank's core operations include attraction of bank deposits, maintenance of client accounts, loans and performance bonds arrangements, etc.