Magellan Minerals Ltd. Signs Letter of Intent on Pocone Project, Brazil

03.03.2014 | Marketwired

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VANCOUVER, BRITISH COLUMBIA -- (Marketwired - March 3, 2014) - Magellan Minerals Ltd. (TSX VENTURE:MNM) ("Magellan") is pleased to announce that it has signed a binding Letter of Intent with Ross Beaty ("RB") to partner on its interests in the Pocone gold belt in the state of Mato Grosso in western Brazil.

Magellan holds interests in two joint ventures in the Pocone area that include approximately 64,090ha which are held in a 50:50 joint venture with a private Canadian company, ECI Exploration and Mining Limited ("ECI"). In addition, Magellan owns a 35% interest in Pocone Gold Mineracao Ltda ("Pocone Gold"), a private Brazilian company which is also 35% owned by ECI, and a private Brazilian company called Brasil Central Engenharia Ltda which owns a 30% interest. Pocone Gold controls approximately 122,390 ha in the Pocone region.

The principal terms of the agreement are as follows:

- RB will pay Magellan a total of $1M in cash including $250,000 on execution of a definitive agreement within 30 days, and a further $250,000 on the first anniversary

- An additional $250,000 will be paid to Magellan once ECI and Magellan complete the transfer of their claims to Newco, and the remaining $250,000 will be paid on the first anniversary of this transfer

- ECI will sell its interests in the Pocone belt to RB according to the same terms

- In addition, RB will invest a total of $5M into Newco on signing a definitive agreement for a 60% interest. Magellan and ECI will each retain a 20% interest in Newco. In the event that Magellan's interest drops below 10% it shall convert to a 0.5% NSR on any future gold production

- RB will also reimburse Magellan and ECI up to a maximum of $80,000 to cover the annual cost of holding the properties

The Pocone gold belt extends for at least 90km and is located in the southern part of the state of Mato Grosso. It is characterized by a series of highly deformed schists that are cut by gold-bearing vein swarms. Approximately 50 small open pit gold mines are currently in operation throughout the belt which has an estimated historic production of 6-12Moz of gold.

Commenting on the agreement, Alan Carter, President and CEO of Magellan said "we are extremely pleased to have Ross Beaty as a partner in the Pocone gold belt which we believe has world class potential. Ross brings significant resources and technical expertise to the venture, as well as a highly respected team that has a proven track record in creating significant shareholder value".

The agreement is subject to approval of Magellan's Board of Directors and the TSXV exchange. A definitive agreement will be executed within 30 days.

Ross Beaty is a geologist and mining entrepreneur with more than 38 years of experience in the international minerals industry.

Magellan Minerals Ltd. (TSX VENTURE:MNM) is a TSX Venture Exchange listed exploration and development company with two advanced gold properties in the Tapajos Province of northern Brazil. The Coringa project contains Measured and Indicated resources of 561,000oz of gold (3.2Mt @ 5.5g/t gold) and Inferred resources of 534,000oz of gold (5.5Mt @ 3.0g/t gold) and is currently undergoing a bankable feasibility study. The Cuiu Cuiu project contains 100,000oz of gold in the Indicated category (3.4Mt @ 1.0g/t gold) and 1,200,000oz of gold in the Inferred category (31Mt @ 1.2g/t gold).

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the *policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

This news release contains forward-looking statements. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Particular risks applicable to this press release include risks associated with achieving production on the project within the parameters identified in the economic assessment, and the ability of the project to generate significant cash flow to the company and earnings to the shareholders of the company. These statements are subject to risks due to regulatory, technical, economic and other factors. In addition there is no guarantee that additional exploration work will result in significant increases to resource estimates. The reader is referred to the Company's most recent annual and interim Management's Discussion and Analysis for a more complete discussion of such risk factors and their potential effects, copies of which may be accessed through SEDAR at http://www.sedar.com.

News release #2014-1

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