

# Full Metal Minerals to Acquire Puhipuhi Gold Project

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Vancouver, April 20, 2018 - Full Metal Minerals Ltd. (TSXV: FMM) ("Full Metal" or the "Company") is pleased to announce that it has entered into a Share Purchase Agreement with mid tier gold producer [Evolution Mining Ltd.](#) (EVN-ASX) to purchase a 100% interest in the Puhipuhi Gold Project (the "Project") by purchasing the shares of Evolution's wholly owned subsidiary Evolution Mining NZ Pty Ltd ("Evolution NZ") (the "Acquisition").

The Puhipuhi Project is an exploration stage epithermal gold project located in the Northland region of the North Island of New Zealand. Evolution NZ currently holds an Exploration Permit over the Puhipuhi area and an additional Exploration Permit over adjoining areas.

Since acquiring Puhipuhi in June 2015, Evolution NZ has spent over NZ\$5million on exploration including extensive soil geochemical surveys, 24 line kilometres of geophysics surveys and 3,800m of diamond drilling.

## Project Highlights:

The Project is well-located relative to infrastructure including roads and electricity. It is within 7 km of the state highway.

High grade Au and Ag has been intercepted by drilling at localities over 2 km apart including 2 m at 17g/t Au and 15 g/t Ag, 0.6 m at 23.4 g/t Au and 146 g/t Ag and 2 m at 12.4 g/t Au and 85.0 g/t Ag. Other significant results include a 28 m vein intercept (chalcedony and lattice-textured quartz) that has not been followed up by subsequent drilling.

Evolution NZ has identified multiple structures and targets through a combination of historic exploration activity and recent exploration, giving a solid basis for Full Metal Minerals to test the following high priority targets:

- the strike continuity of high grade drill intercepts, which are over 2km apart within the central mineralised corridor, remains untested;
- sinter upflow zones interpreted from geophysics on second order linking faults;
- a number of geochemical targets in the central area of the Project; and
- other areas within the two Exploration Permits where detailed geochemical sampling has not been undertaken.

Evolution NZ completed a Comprehensive Environmental Baseline Study including: surface and ground water analysis, soil surveys and analysis, steam sediment surveys and flora and fauna surveys. This establishes a sound platform for Full Metal's recommencement of work on the Project.

## Deposit Model

Oceana Gold's Waihi Mine, a low sulphidation epithermal gold-silver deposit, which has been in modern production since 1988, is also located on the North Island of New Zealand. Mining has taken place in three parallel areas, spanning nearly 2 km: Martha, Correnso and Favona, each with multiple mineralised vein structures. The vein systems strike between 200 and 2000 m, 170 &#8212; 700 m in vertical range and are typically 1.5 m wide, locally up to a maximum of 30 m<sup>1</sup>. Full Metal considers this a deposit analog with which to test the potential of the Puhipuhi Gold Project. Oceana's guidance for Waihi Mine in 2018 is 75-85,000 ounces of gold<sup>2</sup>.

#### Acquisition Terms:

Under the Share Purchase Agreement dated April 19, 2018, the Company will pay to [Evolution Mining Ltd.](#) an initial cash payment of \$50,000 at closing. In addition, the Company has agreed to pay the following amounts to [Evolution Mining Ltd.](#) upon the Company or Evolution NZ achieving the following milestones on the Project: up to \$275,000 upon Evolution NZ entering into a new or amended access agreement with certain surface rights owners; \$250,000 upon exploration expenditures of \$2,000,000 being incurred; \$250,000 upon cumulative exploration expenditures of \$4,000,000 being incurred; \$500,000 upon completion of a NI 43-101 compliant technical report containing an estimate of mineral resources of at least 500,000 oz. gold; \$1,750,000 upon completion of a feasibility study; and \$2,500,000 upon commencement of commercial production. Other than the initial cash payment, all cash payments may, at the option of the Company, instead be satisfied by issuing common shares of the Company based on the greater of the volume weighted average trading price of the FMM Shares for a 20 consecutive trading day period ending prior to the date of issuance and the minimum price permitted by the TSX Venture Exchange.

The Acquisition is an arm's length transaction. No finder's fees are payable in respect of the Acquisition. The closing of the Acquisition is subject to acceptance by the TSX Venture Exchange

#### Private Placement

The Company also announces an equity financing of up to 15,625,000 common shares at a price of C\$0.08 per share for gross proceeds of up to C\$1.25 million (the "Financing") to fund transaction costs of the Acquisition, the initial cash payment under the Acquisition, exploration expenditures on the Project and working capital. Completion of the Financing is subject to acceptance by the TSX Venture Exchange.

The Company also anticipates settling certain outstanding debts, which may include trade payables, management services fees and entitlements to change of control payments under management services agreements (the "Agreements"), in connection with the Acquisition and the Financing, which may include the issuance of securities subject to acceptance by the TSX Venture Exchange.

The Company also announces that the Agreements, which were entered into in July 2011 between Full Metal and companies controlled by the President and Chief Executive Officer and Chief Financial Officer of the Company and the Corporate Secretary of the Company have been further amended. Prior to these amendments, the Agreements provided for a change of control payment if within 42 months following a "change of control" the contractor's engagement is terminated by the Company without good cause or the contractor resigns. The amendments extend the 42 month period to 48 months. For further information regarding the change of control payment entitlements, see the Company's information circular dated September 12, 2014 and filed on the Company's profile on SEDAR, the Company's subsequently filed information circulars and the Company's October 14, 2015, October 19, 2016 and October 23, 2017 news releases.

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<sup>1</sup> 2015 NI 43-101 Technical Report for the Waihi Gold Mine, Maton, T., Bertoldi, D., and Church, P., Effective 23rd November 2015.

<sup>2</sup> Ocean Corporate Presentation March 2018.

ON BEHALF OF THE BOARD OF DIRECTORS  
"Michael Williams"

Michael Williams  
CEO & President

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Qualified Person

Adrian Fleming, AusIMM (CP), an independent Qualified Person as defined by NI 43-101, has reviewed and approved, but has not verified, the technical content of this press release, and consents to the information provided in the form and context in which it appears. The technical information regarding the Project in this press release is based on information provided to the Company by Evolution NZ, and the Company anticipates incorporating the technical information into an independent technical report.

**Cautionary Note Regarding Forward-Looking Statements:** This news release includes certain forward-looking statements and forward-looking information (together, "forward-looking statements"). All statements other than statements of historical fact included in this release, including, without limitation, statements regarding the Acquisition, the Financing, other future plans and objectives of the Company and potential mineralization on the Project are forward-looking statements. There can be no assurance that such statements will prove to be accurate and actual results and future events may vary from those anticipated in such statements. Important risk factors that could cause actual results to differ materially from the Company's plans or expectations include failure to obtain TSX Venture Exchange acceptance of the Acquisition, the Offering and the Financing (together, the "Transaction"), failure to remove conditions to completion of the Transaction, failure to raise sufficient funds on the proposed terms or at all and risks associated with mineral exploration, including the risk that actual results of exploration will be different from those expected by management and the risk that potential mineralization will not be upgraded or verified, and the other risks disclosed in this news release. The forward-looking statements in this news release were developed based on the assumptions and expectations of management, including that TSX Venture Exchange acceptance for the Transaction will be obtained, conditions will be satisfied, required fundraising will be completed, the other assumptions disclosed in this news release and that the risks described above will not materialize. There can be no assurance that the Transaction will complete. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as otherwise required by applicable securities legislation.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction, including the United States. The securities referenced in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, a "U.S. person," as such term is defined in Regulation S under the U.S. Securities Act, unless an exemption from such registration requirements is available.

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