

Emgold Executes Definitive Agreement Granting It Irrevocable Option to Acquire 100% Interest in The New York Canyon Property, NV

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Vancouver, July 16, 2019 - [Emgold Mining Corp.](#) (TSXV:EMR) (OTC:EGMCF) (FSE:EMLM) ("Emgold" or the "Company") announces that it has completed a Claim Purchase Agreement with [Searchlight Resources Inc.](#) (TSXV:SCLT) ("Searchlight") giving the Company the option to acquire a 100% interest in the New York Canyon Property, NV (the "Property").

The Property is situated in the prolific Walker Lane mineral belt of Western Nevada, a zone of historic precious and base metal deposits and an area of active mineral exploration. The Property totals 1,500 acres (607 ha) in size and has a significant database of historic information, including a 2010 Technical Report that was completed by Searchlight. Three main exploration targets are known - Longshot Ridge, Champion and Copper Queen. They consist of oxide and sulfide skarn and copper/molybdenum porphyry mineralization. Potential also exists for epithermal gold mineralization.

Emgold President and CEO, Mr. David Watkinson, commented, "New York Canyon is another strategic acquisition by the Company. It is in a historically prolific and investment friendly mining jurisdiction. It has had substantial exploration, completed over several decades, including 139,056 ft. (43,384 m) of drilling. For the Company to replicate the same amount of historical drilling, it would cost millions of dollars. With the application modern geophysics, re-analysis of historic data, new exploration, and a better economic environment with higher metal prices, the Company's sees the opportunity to unlock the value of this asset".

Emgold has completed a C\$40,000 cash payment and issued 2,941,196 common shares in the capital of the Company to Searchlight, both due at closing. To complete the acquisition, C\$300,000 remains to be paid by Emgold to Searchlight over an 18-month period. Details of the transaction (the "Transaction") were originally disclosed in Emgold's press release dated May 28, 2019.

About the New York Canyon Property

The Property is located in the Santa Fe Mining District, Mineral County, in west-central Nevada, about 30 mi. (48 km) from Hawthorne, Nevada. The Property consists of 21-patented claims and 60-unpatented claims totaling about 1,500 ac. (607 ha). The claims are divided into two groups - the North and South Groups. Total historic drilling on the Property, to date, is 234 holes totaling 139,056 ft. (43,384 m).

The North Group of claims comprising the Property covers historic past producing copper operations and gold occurrences and is adjacent to the past producing Santa Fe Gold Mine owned by Victoria Gold Corporation (TSX:V: VIT) ("Victoria Gold") The Santa Fe deposit was discovered in the late 1970's and mined by Corona Gold in the late 1980's and early 1990's. Historic production estimated from Santa Fe Mine is 345,499 ounces of gold and 710,629 ounces of silver between 1989 and 1995 (source: The Nevada Mineral Industry, Special Publication MI-2017, Nevada Bureau of Mines and Geology). Note that the vicinity of the Property to a past producing mine does not guarantee that mineral resources or reserves will be defined on the Property.

The South Group of claims contain the Longshot Ridge, Champion, and Copper Queen deposits, which consist of copper skarn oxide, copper skarn sulfide, and copper porphyry sulfide mineralization. Copper mineralization is hosted primarily within the Triassic-age Gabbs Formation limestone sequence with some within the underlying Triassic-age Luning Formation limestone units and overlying Jurassic-age Sunrise Formations limestone sequence. Mineralization in skarns is adjacent to Cretaceous age felsic intrusive rocks.

In the mid-1960s to the late-1970s, several companies explored the Property for major copper porphyry

deposits. This work defined copper oxide skarn mineralization at Longshot Ridge and copper sulfide skarn and porphyry mineralization at the Copper Queen prospects. Historic drilling by Conoco, the operator of the Property from 1977 to 1991, totaled 107 holes totaling approximately 98,433 ft. (30,000 m). Drilling by Conoco, reported in a May 10, 1979 internal report, included a significant interval of chalcopyrite and molybdenite mineralization encountered in drill-hole MN-42, which was drilled in 1977. This hole, intersected 1,020 ft. (311m) of 0.41% Cu, 0.012% Mo, 4.5 ppm Ag, and 0.1 ppm Au from 560 ft. (171 m) to 1,580 feet (482 m) (true width unknown) at the Copper Queen prospect, located approximately 2 mi. (3 km) west of the Longshot Ridge prospect.

Conoco reported a 142 million ton (129 million tonne) inferred resource grading 0.35% copper, 0.015% molybdenum, 0.1% Zn, 4 ppm Ag, and 0.1 ppm Au for the Copper Queen deposit in the internal report dated May 10, 1979. In another internal report completed on September 20, 1979, Conoco reported "possible reserves from drill-hole data and geologic interpretation on cross sections" of 13.2 million tons (11.0 million tonnes) grading 0.55% copper for the Longshot Ridge prospect. These are historical reserve and resource estimates prepared prior to the implementation of NI 43-101 and use terminology not compliant with current reporting standards. A qualified person has not audited or verified these historical estimates nor made any attempt to re-classify the estimates according to current NI 43-101 Standards of Disclosure or the CIM standards.

Between 1992 and 1997 Kookaburra Resources Ltd. ("Kookaburra") conducted further exploration, including exploration with various joint venture partners, including Coca Mines and Phelps Dodge. Those companies tested the Longshot Ridge and Copper Queen skarns with an additional 54 drill-holes totaling 13,018 ft. (3,968 m). The primary goal of this exploration was to increase the size of the oxide skarn resource.

Subsequent to Kookaburra's work on the Property, the unpatented claims lapsed in 1999. New unpatented claims were staked by two individuals and subsequently acquired by Nevada Sunrise LLC ("Nevada Sunrise"), a privately held Nevada corporation, along with rights to acquire the patented claims. Aberdene Mines Ltd. (subsequently Canyon Copper Corporation and then [Searchlight Resources Inc.](#)) acquired an option on the Property from Nevada Sunrise in March, 2004 and subsequently acquired rights to both the patented and unpatented claims that make up the current Property.

Searchlight completed 27,605 ft. (8,414 m) of drilling in 73 holes, focused on the Longshot Ridge deposit. Total historic drilling on the Property to date is therefore 234 holes totaling 139,056 ft. (43,384 m). In a 2010 Technical Report, Searchlight defined a historic indicated resource of 16.3 million tons (14.8 million tonnes) of 0.43% Cu and an historic inferred resource of 2.9 million tons (2.6 million tonnes) of 0.31% Cu in the Longshot Ridge copper oxide skarn area was defined. A cut-off grade of 0.20% Cu was used. This mineral resource estimate is considered historical as defined by NI 43-101 and a qualified person has not audited or verified this resource and the Company is not treating it as a current mineral resource.

The Searchlight mineral resource was estimated using industry standards that conformed with CIM Definition Standards on Mineral Resources and Mineral Reserves at the time it was prepared. The mineral resource database contained: 1) 58 historic drill holes, from prior operators to Searchlight, totaling 18,469 ft.; 2) 38 drill holes (10 HQ diamond drill holes and 28 reverse circular drill holes) totaling 14,585 ft. completed by Searchlight during the period from 2004 to 2005; and 3) various surface and trench samples from 34 trenches and road cuts obtained from Longshot Ridge. The estimate does not include 33 drill holes (7 HQ diamond drill holes and 26 reverse circulation holes) completed by the Company in 2006. Outlier high copper assays were capped at 4% Cu within the mineralized solid and at 1.3% Cu if outside the solid. Uniform 20 ft. composites were produced both inside and outside the mineralized solid from capped Cu values. Semivariograms were produced for Cu inside and outside the mineralized solid and used both to estimate and classify the resource. A three-dimensional geological and block model was generated using Gemcom and Techbase software. A block model with blocks of 50 x 50 x 40 feet in dimensions was placed over the mineralized solid with the percentage below topography and inside the mineralized solid recorded in each block. Densities of 2.94 for the mineralized zone and 2.70 outside the mineralized zone were used. Copper grades were interpolated into all blocks by using an ordinary kriging estimation method. Blocks were classified as either indicated or inferred based on grade continuity quantified by the semivariogram.

Terms of the Transaction

Emgold has agreed to purchase a 100 percent interest in the 21-patented and 60-unpatented mining claims comprising the Property from Searchlight under the following terms:

1. 1.C\$10,000 on signing the LOI (paid);
2. 2.C\$40,000 on closing of the Transaction (paid);
3. 3.C\$500,000 in common shares of the capital of Emgold at the date of closing of the Transaction, with the share price based on the 30-day volume weighted average price of the Company's share immediately prior to the announcement of the Transaction - 2,941,176 shares at C\$0.17 per share (paid);
4. 4.C\$100,000 within 6 months of the date of closing of the Transaction;
5. 5.C\$100,000 within 12 months of the date of closing of the Transaction; and
6. 6.C\$100,000 within 18 months of the date of closing of the Transaction.

Shares issued as a result of the Transaction will be subject to a four month statutory hold period. The shares issued will also be subject to a Right of First Refusal ("ROFR") provisions and a limitation on the number of shares that can be sold in any month (150,000) without obtaining written approval from Emgold.

Synergy with Mindora Property Acquisition

Emgold previously announced it had signed two letters of intent to acquire a 100% interest in the Mindora gold and base metal property (the "Mindora Property") by press release dated May 21, 2019. The New York Canyon Property is located approximately 12 mi. (19 km) from the Mindora Property and Emgold management believes the two properties will have potential synergy for exploration and advancement.

Qualified Person

Robert Pease, C.P.G., a qualified person under the NI 43-101 instrument, has reviewed and approved the content of this press release.

About Emgold

Emgold is a junior gold and base metal exploration company focused on Nevada and Quebec, the #1 and #4 jurisdictions for mining investment according to the Frasier Institute's Annual Survey of Mining Companies, 2018. The Company's strategy is to look for quality acquisitions, add value through exploration, and monetize assets through sale, joint ventures, option, royalty, and other transactions to create value for our shareholders. Our properties include the Golden Arrow, Buckskin Rawhide East, Buckskin Rawhide West, and Koegel Rawhide Properties in Nevada and an option to acquire up to a 91% interest in the Casa South Property in Quebec. The Casa South Property is adjacent to Hecla Mining Corporation's (NYSE: HL) operating Casa Berardi Mine. Emgold has a strategic share investment in Troilus Gold Corporation (TSX: TLG) which is advancing the Troilus Gold Project in Quebec. As announced by press release, Emgold is in the process of acquiring two additional properties in Nevada - Mindora and New York Canyon. For more information on the Company, investors should review the Company's filings that are available at www.sedar.com or the Company's website at www.emgold.com.

On behalf of the Board of Directors

David G. Watkinson, P.Eng.
President & CEO

For further information, please contact:

David G. Watkinson, P.Eng.
Tel: 530-271-0679 Ext 101
Email: info@emgold.com

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Cautionary Note on Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation, including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the anticipated results from exploration activities, the discovery and delineation of mineral deposits/resources/reserves and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: "believe", "expect", "anticipate", "intend", "estimate", "postulate" and similar expressions, or are those, which, by their nature, refer to future events.

The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including exploration potential of the Casa South Property, potential acquisition of the New York Canyon and Mindora Properties, further exploration, development, or mining activities on its other Properties, operating and technical difficulties in connection with mineral exploration and development activities, the estimation or realization of mineral reserves and mineral resources, the timing and amount of estimated future production, the costs of production, capital expenditures, the costs and timing of the development of new deposits, requirements for additional capital, future prices of precious metals, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, labour disputes and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, changes in laws, regulations and policies affecting mining operations, title disputes, the inability of the Company to obtain any necessary permits, consents or authorizations required, including TSX Venture Exchange acceptance of any other current or future property acquisitions or financings and other planned activities, the timing and possible outcome of any pending litigation, environmental issues and liabilities, and risks related to joint venture operations, and other risks and uncertainties disclosed in the Company's latest interim Management's Discussion and Analysis and filed with certain securities commissions in Canada. The Company's Canadian public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

The Company does not undertake to update any forward-looking information provided in this press release or Management's Discussion and Analysis, except as, and to the extent required by, applicable securities laws. For more information on the Company and its business, investors should review the Company's annual information form and other regulatory filings filed with securities commissions or similar authorities in Canada that are available on SEDAR at www.sedar.com. The Company reviews its forward-looking statements on an ongoing basis and updates this information when circumstances require it.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update any of the forward-looking statements in this news release or incorporated by reference herein, except as otherwise required by law.

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