

Fidelity Minerals arranges sale of the Cerro Dorado Gold Plant for US \$1,430,000

02.10.2019 | [The Newswire](#)

FIDELITY MINERALS:

- - has signed a binding agreement to sell its 100% owned Cerro Dorado Gold Plant for total consideration of USD \$1,430,000.
- Completion of the sale of Cerro Dorado is staged over 12 months and includes substantial non-refundable capital improvements by the Purchaser.
- The Company retains 100% ownership of Cerro Dorado until all acquisition consideration is paid in full.
- Sale of Cerro Dorado will allow Fidelity Minerals to focus on its Strategic Project Generator model, through which the Company has now acquired a portfolio of four high impact gold and copper projects.

Vancouver, BC - TheNewswire - October 2nd, 2019 - Fidelity Minerals Corp. (TSXV:FMN) (FSE:S5GM) (SSE:MNYC) ("Fidelity Minerals" or "the Company") is pleased to announce it has entered into a binding agreement with certain private Peruvian interests ("the Purchasers"), to immediately commence the final capital investments required to upgrade and commission the Cerro Dorado CIL plant in Arequipa, Peru. The transaction involves staged payments to Fidelity Minerals and will conclude with the final transfer of the Cerro Dorado SAC subsidiary to the Purchaser, at completion. Cerro Dorado SAC holds title to four mineral concessions, including the Rey Salomon mine and the Cerro Dorado gold plant.

The binding agreement commits the Purchasers to perform certain capital improvements to the plant, including the purchase and installation of a weigh-scale, metallurgical and assay laboratory, tailings liner and other production related improvements, and to make quarterly payments to Fidelity Minerals over a twelve month period. The total Cerro Dorado cash consideration for the sale of Cerro Dorado SAC is US\$1,430,000, with the first payment already received by the Company. Certain adjustments, deductions and disbursements will be made from the consideration payments to clear local accounts payable and entitlements, prior to the assumption of operatorship by the Purchaser.

The transfer of operatorship will occur immediately, with the Purchaser appointing its own General Manager, who will be responsible for the capital improvements, recommissioning and all future obligations of Cerro Dorado SAC. Fidelity Minerals will continue to monitor the capital improvement programme and operations of the Cerro Dorado mill complex, until the transaction completes in 12 months. In the event the Purchaser has missed a payment and this has not been remedied within 15 days, the ultimate transfer of Cerro Dorado SAC to the Purchasers will not complete and ownership of the mill complex, mine and concessions including all improvements and on-property assets will remain with Fidelity Minerals.

Fidelity Minerals has systematically evaluated potential feedstock options for the Cerro Dorado mill since 2016. Following an objective review of the toll milling industry in Peru, the board of Fidelity Minerals, supported by the Company's largest shareholder Lions Bay Capital (TSX-V: LBI), concluded that in light of the significant working-capital requirement to recommission the mill, that divesting Cerro Dorado was ultimately in the best interests of the Company. This transaction not only returns significant capital back to the Company, but also removes a significant ongoing cost that has been burdensome for the Company.

The sale of Cerro Dorado will allow the Company to focus on its Strategic Project Generator business model where it has already assembled a portfolio of high-quality mining assets in Peru. Within the framework of this

model the Company has already assembled a portfolio of three 100% owned high impact gold and copper exploration properties and a 44.5% interest in the advanced-stage Las Huaquillas project, where the Company has acquired 100% of the surrounding Greater Las Huaquillas concessions.

The Las Huaquillas gold project was previously subject to exploration drilling by Sulliden Exploration. In 1998, Sulliden estimated that a 500m section of the 2,200m long Los Socavones Zone at the Las Huaquillas project hosts an historical non-NI43-101 compliant geological resource of 6.57Mt grading 2.12g/t Au and 25.2g/t Ag; equivalent to 446,000oz of gold and 5,300,000 oz of silver at a 1g/t Au cut-off. The resource was reported to remain open at depth and along strike. This historic resource, based on 10 drill holes and 20 mineralized intercepts, was estimated by Sulliden to a depth of only 200m. There has not been sufficient drilling and/or sufficient previous exploration at Las Huaquillas upon which to base a mineral resource or mineral reserve estimate compliant to the standards of National Instrument 43-101.

The Cerro Dorado transaction is subject to TSX-V approval and a finder's fee of 7.5% will be paid to a third party in staged tranches proportional to the sale payments.

MANAGEMENT COMMENTARY

Director & CEO of Fidelity Minerals, Mr. Ian Graham commented: "The execution of a binding sale agreement for Cerro Dorado both capitalises the Cerro Dorado plant into near term operations and frees the Company to focus on advancing its other assets for advancement and value creation".

Executive Chairman of Fidelity Minerals, Mr. Bahay Ozcakmak added: "The toll-milling industry, particularly at the small-scale end of the market has been a difficult space. After a concerted effort to integrate the mill with an owned mineral resource, the board has taken the view that the risks and costs associated with a Fidelity funded upgrade and recommissioning of Cerro Dorado are not justified. On this basis, the transaction announced today removes a significant ongoing cost for the company and provides the company with material net proceeds to be able to advance the high-quality project portfolio we have been able to assemble over the last 12 months. These new copper and gold projects are of a scale that is likely to attract industry interest. Indeed, Fidelity has received third-party interest in several of these projects already".

About Fidelity Minerals Corp.

[Fidelity Minerals Corp.](#) is assembling a portfolio of high-quality mining assets in Peru through the implementation of our Strategic Project Generator (SPG) model. The project generator model involves the identification and acquisition of appraisal stage opportunities with near-term valuation catalysts, including potential for high-impact M&A. The company is backed by an experienced management team with diverse technical, market, and commercial expertise and is supported by committed and sophisticated investors focused on building long term value.

On behalf of the Board of Fidelity Minerals;

Ian Graham
CEO and Director
Tel: +1.604.671.1353
Email: igraham@fidelityminerals.com

Investor Contact:

Bahay Ozcakmak
Executive Chairman
Tel: +61.3.9236.2800
Email: bahay@fidelityminerals.com

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 NEWS RELEASE.

Disclaimer & Forward-Looking Statements: This news release contains forward-looking statements. Forward-looking statements are statements that relate to future events or future financial performance. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "intend", "expect", "plan", "anticipate", "believe", "estimate", "project", "predict", "potential", or "continue" or the negative of these terms or other comparable terminology. These statements speak only as of the date of this news release. This news release may also contain inferences to future oriented financial information ("FOFI") within the meaning of applicable securities laws. The information in this news release has been prepared by our management to provide a context for the project acquisition and to provide the reader with an outlook for our future activities and anticipated key projects and may not be appropriate for other purposes. Forward-looking statements in this announcement include, (but are not limited to) advancing certain key project activities that could represent important milestones which the Company expects may represent material valuation catalysts, such as the expectation that through the Strategic Project Generator model Fidelity Minerals is positioning itself to be a beneficiary in this environment of increased appetite for prospective projects in this region. Further, forward-looking statements in this release include that the material net proceeds of the sale will enable the Company to advance the rest of the high-quality project portfolio we have been able to assemble over the last 12 months, and that these new copper and gold projects are of scale that is likely to attract industry interest and the implication that third-party interest in a several of these projects may result in value accretive transactions. The implication that the Company's initiatives will individually or collectively be successful comprise forward looking statements.

Copyright (c) 2019 TheNewswire - All rights reserved.

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/335595--Fidelity-Minerals-arranges-sale-of-the-Cerro-Dorado-Gold-Plant-for-US-1430000.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).