

# Silver Dollar Resources Inc. Signs Letter of Intent to Acquire La Joya Silver Project from First Majestic Silver Corp.

19.06.2020 | [Newsfile](#)

## Hosting the La Joya Main Mineralized Trend as well as the Santo Nino and Coloradito deposits, the Property's exploration potential is considered excellent

Vancouver, June 19, 2020 - [Silver Dollar Resources Inc.](#) (CSE: SLV) ("Silver Dollar" or the "Company") is pleased to report it has signed a Letter of Intent ("LOI") with [First Majestic Silver Corp.](#) ("First Majestic"), wherein Silver Dollar has the option to earn an initial 80% interest following the exercise of which it may earn an additional 20% for an aggregate 100% interest in First Majestic's La Joya Ag-Cu-Au property (the "Property") located in the south-eastern portion of the State of Durango in the Mexican Silver Belt (see Figure 1). The Property consists of 15 mineral concessions totalling 4,646 hectares and hosts the Main Mineralized Trend (MMT), Santo Nino and Coloradito deposits (see Figure 2).

### Historical Estimate:

In 2013, Silvercrest Mines Inc. disclosed a resource estimate reported to conform to CIM definitions for resource estimation. A qualified person of Silver Dollar has not done sufficient work to classify this historical estimate as a current mineral resource and the Company is not treating this historical resource estimate as a current mineral resource. Independent data verification and an assessment of the mineral resource estimation methods is required to verify this historical mineral resource.

Table 2 from NI-43-101 Technical report titled "Preliminary Economic Assessment for The La Joya Property, Durango, Mexico", dated 5 December 2013.

To view an enhanced version of Table 2, please visit:  
[https://orders.newsfilecorp.com/files/7232/58185\\_table2.jpg](https://orders.newsfilecorp.com/files/7232/58185_table2.jpg)

### Key assumptions, parameters, and methods:

- 89 holes totaling 30,085 metres (m).
- Raw assay data was composited to 2 metres, capped at 550 gpt Ag, 5.5 gpt Au 6% Cu and interpolated into a block model using 5 m x 5 m x 5 m block size using inverse distance squared (ID2) methodology.
- Silver equivalency formula assumes Ag:Au is 50:1, Ag:Cu is 86:1, based on US\$24/oz silver, US\$1200/oz gold, US\$3/lb copper and 100% metallurgical recovery.
- Mining by open-pit methods.
- Mining and process costs assumptions not specifically stated.

The Property is situated approximately 75 kilometres (km) directly southeast of the state capital city of Durango in a prolific mineralized region with past-producing and operating mines including Grupo Mexico's San Martin Mine, Industrias Penoles' Sabinas Mine, Pan American Silver's La Colorada Mine and First Majestic Silver's La Parrilla and Del Toro Silver Mines. Access and infrastructure near the Property are considered excellent with highway, rail and power lines nearby.

"La Joya is an advanced exploration and development stage project that will provide our shareholders with tremendous leverage in a rising metals market," said Mike Romanik President of Silver Dollar. "The Property's regional targets are of particular interest as they have never been followed up and their exploration potential remains untapped. The transaction also gives us an opportunity to work with First Majestic, one of the largest silver producers in Mexico."

Under the terms of the LOI, Silver Dollar and First Majestic will negotiate a definitive agreement within the

next 60 days. To exercise its first option and acquire an 80% interest in the La Joya property, Silver Dollar will pay First Majestic \$1.3 million cash over four years, issue shares equal to 19.9% of Silver Dollar's then-outstanding common shares within one year, incur \$1 million of exploration expenditures within the first five years, and grant First Majestic a 2% net smelter returns royalty. If Silver Dollar incurs the exploration expenditures within the first three years; however, First Majestic will waive the remaining \$600,000 - or nearly half - of the cash option payments.

Silver Dollar may exercise its second option and acquire the remaining 20% (for an aggregate 100% interest) of the La Joya property by providing notice to First Majestic within 30 days of earning the first 80% interest and issuing to First Majestic additional shares equal to 5% of Silver Dollar's then-outstanding common shares within five years. If Silver Dollar does not provide such notice, Silver Dollar and First Majestic will enter into a joint venture.

Garry Clark, P.Geo., of Clark Exploration Consulting, is the "Qualified Person" as defined in NI 43-101, who has reviewed and approved the technical content in this press release.

### **About Silver Dollar Resources Inc.**

Silver Dollar Resources Inc. is a mineral exploration company focused on creating shareholder value by finding and developing economic precious and base metal deposits. Having completed its initial public offering in May 2020, the Company is now trading on the Canadian Securities Exchange under the symbol "SLV". Silver Dollar's initial exploration projects are the Pakwash Lake and the Longlegged Lake properties that are both located in the re-energized Red Lake Mining Division of Ontario, Canada. The Company has an aggressive growth strategy and is actively reviewing potential acquisition targets in mining-friendly jurisdictions, internationally.

### **ON BEHALF OF THE BOARD**

Signed "Michael Romanik"  
Michael Romanik, President, CEO & Director

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### **Forward-Looking Statements:**

*This news release includes certain forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding future capital expenditures, anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, anticipated exploration program results from exploration activities, resources and/or reserves on the Company's projects and mineral properties, 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. Often, but not always, forward looking information can be identified by words such as "pro forma", "plans", "expects", "will", "may", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "potential" or variations of such words including negative variations thereof, and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that market fundamentals will result in sustained precious and base metals demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future exploration of the Company's properties, that the COVID-19 global pandemic will not affect the ability of the Company to conduct exploration, the*

*availability of financing on suitable terms, and the Company's ability to comply with environmental, health and safety laws.*

*Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, statements as to the anticipated business plans and timing of future activities of the Company, including the Company's options to acquire mineral properties, the proposed expenditures for exploration work thereon, the ability of the Company to obtain sufficient financing to fund its business activities and plans, delays in obtaining governmental and regulatory approvals, permits or financing, changes in laws, regulations and policies affecting mining operations, the Company's limited operating history, currency fluctuations, title disputes or claims, and environmental issues and liabilities.*

*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 except as otherwise required by law.*

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/354169--Silver-Dollar-Resources-Inc.-Signs-Letter-of-Intent-to-Acquire-La-Joya-Silver-Project-from-First-Majestic-Silver-Cor>

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