

Iconic Announces Spin-Out of New Pass and Midas South Gold Properties

18.08.2020 | [Newsfile](#)

Vancouver, August 18, 2020 - [Iconic Minerals Ltd.](#) (TSXV: ICM) (OTC Pink: BVTEF) (FSE: YQGB) ("Company" or "Iconic") is pleased to announce a spin-out transaction (the "Spin-Out") whereby Iconic will transfer its 50% interest in each of the New Pass and Midas South (previously Squaw Creek) gold properties located in Nevada to a wholly-owned subsidiary of the Company ("SpinCo").

Iconic intends to distribute the common shares in the capital of SpinCo (each, a "SpinCo Share") to the shareholders of Iconic on a pro rata basis and to apply to list (the "Listing") the SpinCo Shares on the TSX Venture Exchange (the "TSXV"). The number of SpinCo Shares to be distributed to each shareholder of Iconic under the Spin-Out has not yet been determined. There will be no change in the shareholdings of individual Iconic shareholders as a result of the Spin-Out.

Richard Kern, Iconic's President and CEO, stated, "We believe the value of the New Pass and Midas South gold assets is not reflected in Iconic's current share price and see the spin-out as a way to create additional value for Iconic shareholders. The transaction will allow the new spin-out company to evaluate opportunities in the gold sector, while Iconic retains its primary focus on its Bonnie Claire and Smith Valley Creek lithium properties."

Further details of the Spin-Out will be announced in the near future. Shareholders of the Company are cautioned that the final details of the Spin-Out are still to be determined and there is no certainty that the Spin-Out or the Listing will be completed on the terms currently proposed or at all. The Spin-Out and the Listing are subject to certain conditions, including, but not limited to, the receipt of all necessary approvals, including the approval of the TSXV and any applicable securities regulatory authorities.

New Pass Project Property

The New Pass property is located in Churchill County, 27 miles west of Austin, Nevada. The property is a joint venture with [McEwen Mining Inc.](#), of which the Company holds a 50% interest. Gold mineralization on the property is hosted in medium to thin bedded silty and carbonaceous limestones of the Triassic Lower Augusta Mountain Formation.

New Pass Drilling

In April 2006, the Company received a new mineral resource report on the New Pass project compiled by Paul A Pelke, California Registered Geologist, Reno Nevada and Sam S. Arentz III, P.E., Sparks, Nevada, as revised in October 2006 (the "2006 Report"). The 2006 Report was prepared using National Instrument 43-101 ("NI 43-101") guidelines and standards and made additions to the previously filed NI 43-101 report filed on the New Pass project. According to the 2006 Report, which has been superseded by the 2010 Report (as defined below), the New Pass project contains an Inferred Mineral Resource of 11.5 million tons (10.5 million tonnes) averaging 0.0226 oz/t (0.78 g/t) gold and 0.2214 oz/t (7.59 g/t) silver. This is equivalent to approximately 260,000 ounces of gold and 2.546 million ounces of silver. The shallow and largely oxidized nature of the resource indicates it may be amenable to open pit heap-leach mining methods.

In February 2008, the Company released results of its 33 hole / 16,785 feet (5,117 m) 2007 Reverse Circulation (RC) drilling program. The Company discovered a mineralized fault well west of the Inferred Mineral Resource at the New Pass project and extended the mineralized system west, north and east. In order to follow these extensions, a Plan of Operations was filed with the Nevada Bureau of Land Management (BLM) to allow for an expanded drilling program.

In May 2008, the Company resumed exploration drilling on the New Pass project. The plan called for 12,000 feet of reverse circulation drilling. A twenty five hole, 12,220 feet (3,726 m) drilling program was completed by the Company in November 2008. The program included 3 diamond core holes and 22 reverse circulation (RC) holes. Drilling continued to expand the Inferred Mineral Resource to the west. The best example of this is NP-0813, which intersected 160 feet (49 m) averaging 0.053 oz/ton (1.82 g/t) gold and 0.17 oz/ton (5.8 g/t) silver on Section 1200 North.

The core drilling allowed for great understanding of the structures associated with the bedded mineralized zone at New Pass. This drilling indicated that the bulk of the mineralization is hosted by sedimentary breccias formed by a prolonged weathering cycle and formation of karst within the limestones which were later covered with Tertiary volcanics. The mineralization is not associated with a bedding plane shear and therefore must be fed by high angle faults.

On September 8, 2010, the Company filed an NI 43-101 technical report dated effective September 3, 2010 and entitled "NI 43-101 Technical Report and Revised Resource Estimation on the New Pass Property, Churchill County, Nevada, Revised" (the "2010 Report"), which included updated information on the drilling conducted at the New Pass project since the 2006 Report. The 2010 Report was authored by Paul D. Noland, CPG, of Elko, Nevada. Noland stated, "The property currently contains an Inferred Mineral Resource of 15,515,488 short tons at 0.022 ounce per ton (opt) gold equivalent [sic] or 341,750 ounces of gold equivalent." Given the date of the 2010 Report, the Company acknowledges that the 2010 Report is not current according to the policies and regulations of NI 43-101. A Plan of Operations which allows drilling over a much expanded area was granted in July 2009 and bonded in November 2009. The Company believes there is significant additional potential to the north under volcanic cover and down dip.

Midas South Gold Property

The Midas South property is located 15 miles southeast of the Ken Snyder Deposit between the Ivanhoe Mining the Midas Mining Districts, Nevada. Both the Ivanhoe Mining District and the Midas Mining District lie on the northwest strike projection of the Carlin Trend and within the Northern Nevada Rift. The Midas Mining District lies at the northwest end of a line of gold deposits, which extends to the southeast to the Rain deposit, south of Carlin, Nevada. The Midas South property is a joint venture with [McEwen Mining Inc.](#), of which the Company holds a 50% interest.

According to the NI 43-101 report on the property dated February 20, 2005 entitled "NI 43-101 Report on the Squaw Creek Property, Elko County, Nevada", strongly anomalous gold mineralization has been consistently intersected in drill holes over an area 3 miles long by 1 mile wide. The Company conducted a geophysics survey of the property and a 4 hole deep core drilling program beginning in 2006. The primary target was a high grade vein deposit.

Midas South Drilling

The drilling on the Midas South property tested a major north-south trending, west dipping fault system detected by geophysics. SC-0702 intersected at 70 feet (21 m) long fault zone (true thickness of 45 feet or 14 m) starting 250 feet (76 m) below the fault intercept in 0602. SC-0602 contained a 25 feet (8 m) long fault zone (true thickness of 22 feet or 7 m). SC-0702, which intersected the fault at a down-hole depth of 925 feet (282 m), has an average gold grade of 0.030 oz/t (1.02 g/t) over the 70 foot (22.5 m) interval and includes 10 feet (3 m) of 0.073 oz/t (2.50 g/t) gold. Core hole 0602 above, intersected the fault at a down-hole depth of 780 feet (276 m) and has an average gold grade of 0.0125 oz/t (0.43 g/t) over the 25-foot (8 m) interval. Both the width of the fault zone and gold grade increased with depth. Silver values in both holes are low with silver to gold ratios of 1 to 1 or less.

In September 2008, a 1,358 feet (414 m) long core hole (SC-0801) was completed on the Midas South property to test a mineralized fault zone down dip from drill hole SC-0702 (70 feet @1.02 g/t gold). Previous drilling indicated the fault dipped approximately 70 degrees. However, the fault flattens to roughly 45 degrees causing SC-0801 to intercept the zone only 180 feet (55 m) below the elevation of SC-0702.

The SC-0801 intercept is 120 feet (37 m) [100 feet true width] compared to 70 feet (21 m) in 0702 [45 feet true width]. The 0801 grade is slightly higher and contains the first +3.0 g/t gold intercepts at the property (3.19 and 3.43 g/t gold over 5 feet samples). Deeper drilling is needed to determine if gold grades continue

to increase.

SpinCo Private Placement

In connection with the Spin-Out, SpinCo plans to conduct a non-brokered private placement (the "Private Placement") of up to 4,000,000 units (each, a "Unit") at a price of \$0.20 per Unit for aggregate gross proceeds of up to \$800,000. Each Unit will consist of one SpinCo Share and one-half of one SpinCo share purchase warrant (each whole warrant, a "Warrant"), with each Warrant entitling the holder thereof to purchase one SpinCo share at a price of \$0.30 per SpinCo share for a period of 12 months from the closing of the Private Placement, subject to acceleration if the closing price of Spinco's shares on a stock exchange is equal to or greater than \$0.50 for a minimum of ten consecutive trading day at any time after the closing of the Private Placement.

Net proceeds from the Private Placement are expected to be used for working capital and to fund exploration activities on the New Pass and Midas South properties, which will include a further update on New Pass's NI-43-101. The Private Placement is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSXV and any applicable securities regulatory authorities.

All securities issued in connection with the Private Placement will be subject to an indefinite hold period in Canada until SpinCo becomes a reporting issuer in a Canadian jurisdiction in accordance with applicable Canadian securities laws. The Company may pay finder's fees on a portion of the Private Placement to arm's length parties that have introduced the Company to subscribers participating in the Private Placement, consisting of a cash commission and non-transferable finder's warrants.

This news release does not constitute an offer of sale of any of the foregoing securities in the United States. None of the foregoing securities have been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act") or any applicable state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act) or persons in the United States absent registration or an applicable exemption from such registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the foregoing securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Qualified Person

Richard Kern, Certified Professional Geologist, a qualified person as defined by Canadian National Instrument 43-101, has reviewed and approved the technical information contained in this news release. Mr. Kern is not independent of the Company as he is the Chief Executive Officer of Iconic.

On behalf of the Board of Directors

"Richard Kern"

Richard Kern, President and CEO
Contact: Keturah Nathe, VP Corporate Development (604) 336-8614

For further information on Iconic, please visit our website at www.iconicminerals.com

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Cautionary Note Regarding 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 with respect to the Spin-Out, the Listing and the Private Placement and the future business plans and exploration activities of the Company and SpinCo, 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: "will", "believes", "expects", "anticipates", "intends", "estimates", "plans", "may", "should", "potential", "scheduled" or variations of such words and phrases and similar expressions, which, by their nature, refer to future 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 metals demand and prices, the receipt of any necessary permits, licenses and regulatory approvals required for the Spin-Out, the Listing and the Private Placement and the future development of the Company and SpinCo's projects in a timely manner.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and SpinCo to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, among others, operating and technical difficulties in connection with mineral exploration and development activities, actual results of exploration activities, including on the New Pass and Midas South gold properties, requirements for additional capital, future prices of lithium and gold, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, lack of investor interest in the Private Placement, accidents, 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, risks relating to epidemics or pandemics such as COVID-19, including the impact of COVID-19 on the business, financial condition and exploration and development activities of the Company and SpinCo, changes in laws, regulations and policies affecting mining operations, title disputes, the inability of the Company or SpinCo to obtain any necessary permits, consents, approvals or authorizations, including acceptance by the TSXV required for the Spin-Out, the Listing and the Private Placement, 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 Managements' Discussion and Analysis and filed with the Canadian Securities Authorities. All of 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.

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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