

Red Oak Mining & Impact Silver Execute Letter of Intent to Acquire Nuevo Taxco Silver-Gold Project and Concurrent Financing

07.10.2020 | [Newsfile](#)

Vancouver, Oct. 7, 2020 - [Red Oak Mining Corp.](#) (TSXV: ROC.H) ("Red Oak") and [Impact Silver Corp.](#) (TSXV: IPT) ("Impact Silver"), have executed a non-binding Letter of Intent for an arm's length transaction whereby Red Oak may earn a 100% interest in the Nuevo Taxco Silver-Gold Project (the "Property") located approximately 80 km south west of Mexico City and west of the municipality of Tetipac within the Pregones Silver-Gold District. Impact Silver conducted initial geological work on the property mapping twenty-one (21) high grade silver veins and identifying initial priority drill targets. Under terms of the agreement (subject to regulatory approval), Red Oak may earn 100% interest in the approximately 1,100 hectare property by completing exploration expenditures of \$1,400,000, making cash payments of \$300,000 and issuing 3,500,000 common shares to IPT over a 3-year period. Details of the option agreement are outlined below.

Pregones Mining District

The Pregones Mining District is one of three principal production centers with the Zacualpan District situated ten kilometers to the northwest and Taxco District ten kilometers to the southeast. The Pregones Mining District shares the same stratigraphy as the Zacualpan District lower Cretaceous rocks of the Teloapan and Acapetlahuaya Formations, both of which are a mixed volcanic and sedimentary assemblage. Whereas in the Taxco District it is correlative sediments of the Mezcala Formation and limestones of the Morelos Formation, also of Cretaceous age. The Pregones Mining District is considered prospective for high grade silver and gold mineralization. Historical mining in the area dates back to the year 1520 with 11 historical mills from that era on the property. The project is considered to be significantly underexplored, with known silver and gold occurrences throughout the property.

Geological Work Completed

In 2013, Impact Silver completed a detailed compilation of existing data, followed by a field program which consisted of geological mapping and prospecting which identified a total of twenty‐one (21) silver‐bearing veins with substantial widths. A collection of a total of 395 rock samples with high silver values grading over one (1) kilogram per tonne silver occur in three samples (1,430, 1,230, 1,100 g/t), 18 samples between 500 and 900 g/t silver and 92 samples between 100 and 499 gr/t silver, most of which come from the twenty‐one (21) veins thus far identified.

"The Nuevo Taxco Silver-Gold Property is an exciting exploration target and considered highly prospective for high grade silver and gold mineralization. Our priority for Impact Silver is increasing annual production and expanding our reserves within proximity of our Guadalupe and Capire production facilities. We determined the best scenario was to option Nuevo Taxco Silver-Gold Property to Red Oak so warranted exploration and drilling can be conducted with the objective of establishing a maiden resource estimate. Impact Silver will provide technical direction to assist Red Oak on defining and executing their initial exploration drill program," states Frederick Davidson, CEO of Impact Silver.

"To acquire such a prospective project like Nuevo Taxco and to be working with a respected, successful producer like Impact Silver provides additional resources, credibility and understanding on a project that is of added value to our shareholders. Silver provides a unique combination of being a precious metal as well as a "green economy metal" for its use in battery electric vehicles, alternative energy and electronics which we believe makes silver a high value metal to be targeting for development," stated Jay Roberge, CEO of Red Oak Mining Corp.

Nuevo Taxco Option Agreement Details

Under the Agreement, Red Oak may earn a 100% interest in the Property by making certain staged cash payments, issuing common shares in the capital of Red Oak to Impact Silver and making exploration expenditures over a 3-year period as follows: (i) \$1,000 in cash was paid upon execution of the Letter of

Intent in respect of the Transaction; (ii) \$49,000 in cash and 500,000 common shares upon TSXV approval of the Transaction and closing of the Financing (the "Closing Date"); (iii) \$200,000 in exploration expenditures on or before September 30th, 2021; (iv) \$100,000 in cash, 1,000,000 common shares and \$400,000 in exploration expenditures on or before September 30, 2022; and (v) \$150,000 in cash, 2,000,000 common shares and \$800,000 in exploration expenditures on or before September 30, 2023.

The Transaction is intended to constitute a Fundamental Acquisition, as that term is defined in the policies of the TSX Venture Exchange (the "TSXV"). On completion of the Transaction, it is intended that Red Oak will graduate its listing from the NEX board of the TSXV to become a Tier 2 Mining issuer on the TSXV.

Red Oak has agreed to pay an arm's length party an finder's fee with regards to the property acquisition equal to 10% of the value consideration for year one of the Agreement to be satisfied in common shares of Red Oak at the same price per share as the Transaction, being approximately 100,000 common shares.

Financing

In conjunction with the Agreement with Impact, Red Oak will arrange a non-brokered private placement at a price of CAD\$0.10 per unit ("Unit") for proceeds up to CAD\$950,000.00 (the "Private Placement"). Each Unit will consist of one Red Oak Share and one Red Oak Share purchase warrant at a price of \$0.20, exercisable for a period of two years from issuance (the "Warrants").

The Private Placement will be available to existing securityholders of Red Oak utilizing BC Instrument 45-534 Exemption from Prospectus Requirements for Certain Trades to Existing Securityholders and other provincial equivalents (collectively, the "Existing Security Holder Exemptions"). Red Oak will make the Private Placement available to all shareholders of Red Oak who are eligible to participate under the Existing Security Holder Exemptions and who have notified Red Oak of their intention to participate in the Private Placement. The Existing Security Holder Exemptions limit a shareholder to a maximum investment of \$15,000 unless the shareholder certifies in the subscription agreement that he or she has obtained advice regarding the suitability of the investment from a registered investment dealer or otherwise qualifies to rely on another private placement exemption.

In the subscription agreement, shareholders will be required to certify that they acquired and held, common shares of Red Oak. Each existing shareholder will be entitled to purchase Units which will be allocated by Red Oak on a first come, first served basis such that it is possible that a subscription received from a shareholder may not be accepted by Red Oak if the Private Placement is over subscribed.

Red Oak also intends to complete a portion of the Private Placement pursuant to Multilateral CSA Notice 45-318 - Prospectus Exemption for Certain Distributions through an Investment Dealer and the corresponding instruments, orders and rules implementing CSA Notice 45-318 in the participating jurisdictions (the "Investment Dealer Exemption"). In addition to conducting the Private Placement pursuant to the Investment Dealer Exemption, Red Oak will also accept subscriptions for Units, in its discretion, where other prospectus exemptions are available.

In accordance with the requirements of the Investment Dealer Exemption, Red Oak advises that, as at the date hereof, there is no material fact or material change in respect of Red Oak that has not been generally disclosed. Additionally, Red Oak advises that there is no minimum number of Units being offered pursuant to the Private Placement.

Red Oak intends to use the net proceeds from the Private Placement for general corporate purposes and working capital.

All securities distributed pursuant to the Private Placement will be subject to a statutory hold period of four months from the date of issuance. Closing of the Private Placement is subject to receipt of all necessary regulatory approvals. Red Oak may pay finders' fees in connection with the Private Placement in accordance with the policies of the TSXV.

Carlos Cham Dominguez, is a "qualified person" within the meaning of the NI 43-101, and is responsible for the technical information disclosed in this news release. Mr. Dominguez is a member of the American Institute of Professional Geologists and a Certified Professional Geologist (CPG) No. 11760.

Cancellation of Previously Announced LOI and Financing

The previously announced Letter of Intent with Metrock Resources Corp., originally announced on June 4th, 2020 has been amicably terminated and the concurrent financing announced in the same press release has

been terminated.

About Red Oak Mining Corp.

Red Oak Mining is a mineral exploration company committed to enhancing shareholder value by advancing a diverse portfolio of mineral projects through collaborative partnerships and highly experienced technical teams. Red Oak will continue to seek out and secure high-quality, unencumbered projects through research, staking and strategic acquisitions. Throughout the exploration process, our mission is to help maintain prosperous communities by exploring for and discovering resource opportunities that build lasting relationships through honest and respectful business and environmental practices.

On behalf of the Board of Directors

"Jay Roberge"
CEO/Chairman

[Red Oak Mining Corp.](#)

Jay Roberge, CEO/Chairman
1-778-895-0247
roberge@tehama.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains "forward looking statements" within the meaning of applicable Canadian securities legislation. Forward looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward looking statements in this press release include that we can complete our acquisition of the Property; that we can complete the Private Placement; and that we close the Transaction. Forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual financial results, performance or achievements to be materially different from the estimated future results, performance or achievements expressed or implied by those forward looking statements and the forward looking statements are not guarantees of future performance. Red Oak's ability to complete the Transaction and successfully conduct the business currently conducted by Impact Silver is subject to a number of conditions, many of which are outside of Red Oak's control; including that the Private Placement is not attractive to investors for any reason; that regulators or other factors slow down our intended timing; and exploration costs may increase dramatically or have been underestimated for the size and scope of the project. Red Oak disclaims any obligation to update or revise any forward looking statements, whether as a result of new information, events or otherwise, except as required by law.

Not for distribution to United States newswire services or for release publication, distribution or dissemination directly, or indirectly, in whole or in part, in or into the United States.

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/363644--Red-Oak-Mining-und-Impact-Silver-Execute-Letter-of-Intent-to-Acquire-Nuevo-Taxco-Silver-Gold-Project-and-Conc>

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](#).