

Apollo Gold Corp. signs binding letters of intent to acquire options over highly prospective gold properties in Peru

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VANCOUVER, Oct. 13, 2020 - [Apollo Gold Corp.](#) TSX.V: APGO (Apollo; or the "Company") is pleased to announce that it has entered into binding letters of intent (the "LOIs") with Conico Resources Ltd. to acquire its interest in an option to acquire the Muylaque Project (Muylaque;) and Condoro Explorations Inc. to acquire its interest in an option to acquire the Lucma and Libertador Projects (Libertador;).

Muylaque is comprised of two mining concessions totaling 800 hectares located in the District of San Cristóbal, Province of Mariscal Nieto, Department of Moquegua, Peru, and Libertador is comprised of seven mining concessions totaling 4,357 hectares located in the Lucma district, Gran Chimú province, La Libertad Department, Peru. The LOIs are binding as to their principal terms, but the transactions remain subject to the execution of definitive agreements and the closing conditions contained therein and as described below. The LOIs will terminate if definitive transaction documentation is not executed by January 31, 2021 with the parties intending to execute such documentation as quickly as possible and well in advance of such date.

Muylaque Transaction

To acquire a 100% interest in Muylaque, Apollo Gold will make total cash payments of US\$3.6 million over a 6-year period and will commit to exploration expenditures of at least US\$8,000,000 within 6 years of the date hereof. In addition, Apollo will issue a total of 4 million Apollo Gold shares and 4 million share purchase warrants, as follows:

TIMING	MUYLAQUE			Exploration Expenditures
	Cash Payments	Share Issuances	Warrant Issuances	
On Closing	-	1,000,000	2,000,000 ¹	
By end of Year 1	US\$200,000	1,000,000	2,000,000 ²	
By end of Year 2	US\$250,000	1,000,000	-	US\$8,000,000
By end of Year 3	US\$500,000	1,000,000	-	
By end of Year 4	US\$750,000	-	-	
By end of Year 5	US\$900,000	-	-	
By end of Year 6	US\$1,000,000	-	-	

1. Warrants issued on closing will have a term of three years and an exercise price of \$0.81.

2. Warrants issued on the first anniversary of closing will have a term of three years and will have an exercise price equivalent to the closing price of Apollo Gold Shares on the last trading day prior to the date which is one year from the closing date.

Upon completion by Apollo of all the minimum expenditure requirements, cash payments and the issuance of consideration shares and warrants, Apollo Gold shall have acquired a 100% undivided interest in and to the Muylaque Project subject to a 2.5% net smelter return royalty (the "Muylaque NSR"). 1% of the Muylaque NSR can be acquired by Apollo Gold at any time for US\$1 million or 1.5% can be acquired by Apollo Gold for US\$2 million at any time.

Libertador Transaction

To acquire a 100% interest in Libertador, Apollo Gold will make total cash payments of US\$2,500,000 over a

5-year period and will commit to exploration expenditures of at least US\$6,000,000 within 6 years of the date hereof. In addition, Apollo will issue a total of 5 million Apollo Gold shares and 5 million share purchase warrants as follows:

TIMING	LIBERTADOR			
	Cash Payments	Share Issuances ¹	Warrant Issuances	Exploration Expenditures
On Closing	-	1,000,000	2,500,000	
By end of Year 1	US\$250,000	1,000,000	2,500,000	
By end of Year 2	US\$400,000	1,500,000	-	
By end of Year 3	US\$450,000	1,500,000	-	
By end of Year 4	US\$500,000	-	-	US\$6,000,000
By end of Year 5	US\$900,000	-	-	
By October 21, 2026	-	-	-	

1. Warrants issued on closing will have a term of three years and an exercise price of \$0.81.

2. Warrants issued on the first anniversary of closing will have a term of three years and will have an exercise price equivalent to the closing price of Apollo Gold Shares on the last trading day prior to the date which is one year from the closing date.

Upon completion by Apollo of all the minimum expenditure requirements, cash payments and the issuance of consideration shares and warrants, Apollo Gold shall have acquired a 100% undivided interest in and to the Libertador Project subject to a 2.5% net smelter return royalty (“Libertador NSR”). 1% of the Libertador NSR can be acquired by Apollo Gold at any time for US\$1million or, 1.5% can be acquired by Apollo Gold for US\$2 million at any time.

Under the terms of the LOIs, Apollo Gold has forwarded initial cash payments of US\$50,000 and US\$35,000 due in relation to the Muylaque Transaction and the Libertador Transaction respectively. These relate to property payments required in Peru and will also enable initial work, utilizing highly qualified local geologists and support staff, to commence on both properties within days. All other cash payments relating to the Transactions are only payable after completion of Definitive Agreements.

The definitive agreements with respect to the Muylaque and Libertador transactions will contain conditions to closing which include (i) approval of the TSX Venture Exchange, (ii) completion of appropriate technical reports on each property, (iii) delivery of satisfactory title opinions, (iv) finalization of due diligence; and (v) evidence that the underlying definitive agreements to acquire the projects are in form and substance satisfactory to Apollo Gold and that they have been registered appropriately in Peru.

Muylaque Project

The Muylaque project is situated in the Southwestern Peru copper belt in a district that hosts many producing mines, and a number under development, owned by international major mining companies and Peruvian companies and include Southern Peru Copper Cuajone Mine, Vale Quinsacolla, Anglo American Quellaveco and Hudbay Pinco Pinco Mines. The region has been gaining increased activity due to continued discoveries but also improving access.

The Muylaque project has significant history of community gold mining utilizing local processing infrastructure in the District which enables community mining of high-grade gold and copper. The Muylaque project has multiple target zones including several where up to 30 tons of ore daily have been produced. In addition, previous companies with rights to this project, including First Quantum Minerals, undertook property wide sampling, geological mapping and airborne geophysical surveying. This work enabled the discovery of new mineralized zones and targets for initial drilling. Rock grabs that were reported across the Property include the following historic results: Copper (‘Cu’ (0.4 percent (‘%’) to 21.24%), Silver (‘Ag’) (2 ounces (‘oz’) to 10 oz), and Gold (‘Au’) (0.16-3.5 oz).

The historic samples are rock grab samples (provided by the vendor) and are by their nature selective and

are not necessarily indicative of the general geology or grade within the property and are not contained in a National Instrument 43-101 report and are provided for context only.

As with a lot of the surrounding communities access has historically caused problems for development, but, this has now been greatly improved at Muylaque with the recent completion of a US\$10 million government sponsored road for the locals, this new road now provides access to over half the claims with local trails providing access to the rest of the mineralized zones.

Libertador Project

Libertador is a large gold project located in Northern Peru, 5 hours driving from the coastal city of Trujillo. Libertador is situated at the northwestern portion of a large gold district that has seen hundreds of millions of dollars of exploration and development and several mines have been placed into production. Much of the initial detailed exploration commencing in the 1980's was undertaken by many Canadian based companies including Placer Dome, Cambior, Pan American Silver, Gitenes and Barrick. Notable producing mines include La Arena, Lagunas Norte, La Virgen and Shahuindo.

Libertador has been privately owned since 2012 by a subsidiary of the AJE Group, a Lima based Latin American multinational. Since the initial acquisition, the private company has methodically advanced the exploration project with geological mapping, sampling, ground geophysics, underground exploration, initial leach tests and extensive community consultation. There currently exists a 20 hole drill permit which Apollo can utilize.

Libertador has multiple target zones across the property including a history of significant local mining of high-grade gold focused on 2 key locations. Sampling programs across the project have returned the following historic results. Within Libertadore II, rock grabs with: 9.3 grams per tonne (g/t) Au and 102 g/t Ag; 3.3 g/t Au and 92 g/t Ag; 4.9 g/t Au and 49 g/t Ag; 5 g/t Au and 55 g/t Ag. Within the Huber Zone, rock grabs with 2.2 g/t Au and >100g/t Ag. Within the Jaunito Zone, rock grabs with 4.2, 3.9 and 2.2 g/t Au. Within the Raffo Zone, rock grabs with 3.74 g/t Au.

The historic samples are rock grab samples (provided by the vendor) and are by their nature selective and are not necessarily indicative of the general geology or grade within the property and are not contained in a National Instrument 43-101 report and are provided for context only.

Initial Work Programs

Field crews will mobilize as soon as possible and it is anticipated they will spend 10 days on the ground at Muylaque and 15 days at Libertador. This work will provide early results and feedback on both properties ahead of finalizing definitive agreements and will include sampling work to validate and expand on previously reported assays and to validate potential initial drill targets. It will also encompass site visits for both properties for 43-101 purposes and enable the completion of appropriate technical reports on each project in short order. It will also provide recommendations for larger work programs, thereby fast-tracking exploration and ensuring that as soon as definitive agreements are executed, the Company is in position to launch larger, more focused work programs at each property. Further details of this initial program will be provided upon program launch.

Appointment of Advisors

Apollo Gold is also pleased to announce the appointments of George Nicholson, PGeo and Carlos Lau as Advisors to the Company. Both have in-depth knowledge of the geology of Peru and the opportunities that exist across the country as well as the regulatory landscape. They have in-depth relationships across the country and have strong ongoing relationships with the communities at Muylaque and Libertador. George has spent much of his career devoted to project generative work and has worked throughout South America. With over 10 years specifically focussed on Peru, George has examined projects in every geological terrane from the Ecuador to Chile border regions. Mr. Lau is originally from Peru where he still has close family and business relationships. Carlos has devoted much of his career to entrepreneurial activities including manufacturing, real estate, telecommunications, oil and gas, and mining.

Simon Clarke, CEO of Apollo Gold stated, "We are very pleased to enter into these binding letters of intent as we look to move quickly into operations in Peru and to move to definitive agreements as quickly as possible. Peru has amazing geology with a strong history of mining and large-scale discoveries as well as the potential for numerous additional discoveries. It also has a regulatory and fiscal regime that is highly supportive to mining.

Muylaque and Libertador are highly prospective properties each with a significant history of community mining of high-quality gold and numerous large-scale targets on each. We are excited to immediately commence the process of refining and expanding on previous exploration and historic mining with a view to defining drill-ready targets in short-timelines.

We are also very pleased that George Nicholson and Carlos Lau will be working with us as key Advisors to the Company, their backgrounds, knowledge and understanding of Peru and their relationships in-country will be instrumental as we look to progress our work on the ground as expeditiously as possible."

Market Awareness / Marketing Program

The Company also announces the launch of a market awareness / marketing program primarily focused on increasing the Company's profile in the United States over the coming months and developing a wider, more diverse shareholder base. In order to design, provide content for and implement this program, the Company has entered into an agreement with Media Specialists Inc., a leading international marketing company with 20 years experience based in Nashville, Tennessee ("Media Specialists").

Pursuant to this agreement, the Company will pay Media Specialists US\$404,772.00 for up to 12 months work in developing appropriate creative content, including videos, articles, artwork etc. and for its expertise and relationships in coordinating the distribution of such products through traditional and electronic media, including mailing / emailing to proprietary distribution lists and utilizing google and other appropriate channels. All distribution and related costs will also be paid by Apollo Gold. The exact timing of the anticipated campaigns will be dictated by market and related conditions.

Termination of LOI for Jalisco Properties

The Company also confirms that its LOI relating to the First Majestic, Jalisco Group of properties was terminated by mutual agreement.

On behalf of the Board of Directors

[Apollo Gold Corp.](#)

"Simon Clarke"
Simon Clarke, Chief Executive Officer

About Apollo Gold Corp. (TSX.V: APGO)

Apollo Gold has assembled a team that is exploring for world class gold deposits in tier-one jurisdictions. Positioned for a prolonged gold cycle, the Company's initial 5,329-hectare project lies in the heart of the Republic of Chile's prolific El Indio Gold Belt surrounded by some of the largest gold companies/mines in the world. The Company has also entered into binding LOIs to acquire two highly prospective properties in Peru with a history of significant community gold production and in mining districts with numerous large-scale mines and deposits. Apollo's team offers global resource sector experience focused on exploration and development with a track-record in advancing projects and creating shareholder value.

The technical content of this news release has been reviewed and approved by Dean Besserer, P.Geol., Vice President Exploration of the Company and a Qualified Person as defined by National Instrument 43-101.

For further information, please contact

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Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in the Company's periodic filings with Canadian securities regulators. When used in this news release, words such as will, could, plan, estimate, expect, intend, may, potential, appear, should, and similar expressions, are forward-looking statements.

Although [Apollo Gold Corp.](#) has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this news release, and the Company disclaims any intention or obligation to update or revise such information, except as required by applicable law.

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