

Yuntone Capital Corp. Completes Qualifying Transaction, Consolidation and Name Change to Mantaro Silver Corp.

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Private Placement Financing of \$8.625 million

VANCOUVER, May 28, 2021 - [Mantaro Silver Corp.](#) (formerly Yuntone Capital Corp.) (TSXV: MSLV) (the "Company") is pleased to announce that it has completed its previously announced "Qualifying Transaction" (the "Transaction"), with the result that the Company is now a Tier 2 Mining issuer under the policies of the TSX Venture Exchange (the "Exchange"). Mantaro owns five silver-focused Peruvian mineral properties, consisting of its flagship Santos Gloria Silver Property and the San Jose, La Purisima, Cerro Luque and Huaranay Properties (the "Silver Properties").

Trading in the common shares of the Company under the new stock symbol "MSLV" is expected to commence on June 1, 2021.

Chris Wilson, CEO of the Company commented: "Over the last twelve months, we have established a strong portfolio of silver-focused assets led by our flagship high-grade silver Santos Gloria Property. With over \$8 million cash on hand, we plan to carry out a robust exploration and drill program on the numerous high-grade silver veins located throughout the Santos Gloria Property."

The Silver Properties

Santas Gloria Silver Property

The Santos Gloria Silver Property is 100% owned by the Company. It comprises of three mineral concessions totaling 1,100 hectares and is located 55 kilometers directly east of Lima.

Silver is the main target commodity at Santos Gloria. Historic surface sampling reported grades of over 400 oz/t Ag from bonanza shoots. Combined lead and zinc values range from 2% to 20% in the high-grade silver zones. Information derived from report on Santos Gloria Mining Project by Dr. Alberto Rios Carranza (2020).

There are over 10 kilometers of intermediate sulphidation veins arranged into three key target zones: Tembladera, Elaine and Santa Cruz. The system has never been drilled tested and exploitation of silver was limited to two areas of the San Jorge and Tembladera veins.

Historical production of silver has been carried out on Santos Gloria since colonial times. To date, an estimated 4 kilometers of underground workings have exploited 2 of the 22 veins at Santos Gloria. In 2005 and 2006, the San Jorge and Tembladera veins were worked on six levels. Santos Gloria is permitted for 30 tonne per day extraction. A small processing plant at site produced silver concentrates with reported silver recoveries of 85%-90%. Information derived from report on Santos Gloria Mining Project by Dr. Alberto Rios Carranza (2020).

Santas Gloria is a silver-base metal vein system otherwise known as Cordilleran silver-base metal type. These deposits have many similarities to intermediate sulphidation vein systems. Such deposits are attractive exploration targets due to their often high-grade nature and the large vertical extent of precious and base metal endowment.

The Company intends to carry out an initial 5000 meters of diamond drilling, from underground and surface locations. Some remediation of historic underground workings will be required, primarily replacement of timbers that have rotted. Drifting on the vein and drilling from new crosscuts, should provide the most accurate targeting of high-grade silver mineralization, on the San Jorge and Tembladera Veins. Other veins will be drilled from surface with a focus on the more gold-rich silver-base metals veins in the north of the concession.

San Jose Silver, La Purisima, Cerro Luque and Huaranay Properties

The San Jose Silver Property is 100% owned by the Company, comprised of five concessions totaling 3,300 hectares and located 180 kilometers directly north of Lima.

The La Purisima Property covers 1,075 hectares and reported historical assays of up to 8 ounces per tonne Ag and 2.5 grams per tonne Au.

The Cerro Luque Property covers 1,650 hectares, contains multiple historic adits within its alterations system and reported historic assays of 11 ounces per tonne Ag.

The Huaranay Property covers 2,000 hectares and includes two gold prospects (Corrales and Chinchango). It also has a historic silver mine with reported grades of up to 37 ounces per tonne Ag.

Qualifying Transaction

Pursuant to the terms of an amalgamation agreement (the "Amalgamation Agreement") among the Company, [Mantaro Silver Corp.](#) ("Mantaro") and a subsidiary of the Company, the Company acquired all of the issued and outstanding securities of Mantaro from Mantaro's securityholders. Each holder of a Mantaro common share received one (1) post-Consolidation common share of the Company (a "Resulting Issuer Share") for each Mantaro common share held. All currently outstanding convertible securities of Mantaro, specifically Mantaro warrants were exchanged or replaced with Resulting Issuer warrants based on a 1:1 ratio and on the same economic terms and conditions as previously issued.

A total of 26,311,145 Resulting Issuer Shares were issued to the Mantaro Shareholders. After completion of the Transaction, the Mantaro securityholders became securityholders of the Company.

In conjunction with closing of the Transaction, the Company completed a consolidation on the basis of two pre-consolidation common shares of the Company were exchanged for one post-consolidation common share of the Company (the "Consolidation"). The Company also changed its name to [Mantaro Silver Corp.](#) on closing of the Transaction (the "Name Change"). As part of the Consolidation and the Name Change, the CUSIP for the Resulting Issuer Shares was changed to 564501104.

Non-Brokered Private Placement

Mantaro previously completed a non-brokered private placement, of 23,576,652 subscription receipts (each a "Subscription Receipt") at a price of \$0.35 per Subscription Receipt for gross proceeds of \$8,251,828.50 (the "Concurrent Private Placement").

As a result of closing of the Transaction, each Subscription Receipt automatically converted into one common share of Mantaro (an "Underlying Share") and one-half of one share purchase warrant of Mantaro (an "Underlying Warrant"). Pursuant to the Amalgamation Agreement, the Underlying Shares and Underlying Warrants were exchanged into Resulting Issuer Shares and common share purchase warrants of the Company ("Resulting Issuer Warrants"). Each Resulting Issuer Warrant is exercisable into a Resulting Issuer Share at an exercise price of \$0.55 until May 21, 2022.

Under the Concurrent Private Placement, Mantaro paid a cash commission of \$298,810 to eligible finders and issued a total 943,407 non-transferable common share purchase warrants (each an "Broker Warrant"). Each Broker Warrant will be exercisable into one Resulting Issuer Share at a price of \$0.55 for a period of one date of issue.

Mantaro also completed a non-brokered private placement financing of 1,072,142 units (each a "Unit") at a price of \$0.35 per Unit for total proceeds of \$375,250.25 (the "Unit Financing"). Each Unit consists of one common share of Mantaro and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase a common share of Mantaro at a price of \$0.55 per share for a period of twelve months from the date of closing. As a result of closing of the Amalgamation Agreement, shares and warrants issued under the Concurrent Financing and the Unit Financing were exchanged for Resulting Issuer Shares and Resulting Issuer Warrants.

The proceeds of the Concurrent Private Placement and Unit Financing will be used for exploration on the Company's flagship Santas Gloria Silver Property and working capital over the next twelve months.

Outstanding Share Capital and Escrow Requirements

As a result of the transaction, there are an aggregate of 58,441,332 Resulting Issuer Shares, of which

6,333,572 Resulting Issuer Shares and 54,285 Resulting Issuer Warrants will be subject to a Tier 2 value escrow agreement.

Further, a significant portion of the Resulting Issuer Shares issued to the former shareholders of Mantaro are subject to the following restrictions on resale:

- (a) 7,200,000 Resulting Issuer Share issued in exchange for Mantaro common shares purchased at \$0.05 will be subject to a hold period and will be released as follows: 20% on May 21, 2021, an additional 20% August 21, 2021, an additional 20% November 21, 2021, an additional 20% on February 21, 2022 and a final 20% on May 21, 2022; and
- (b) 11,734,000 Resulting Issuer Share issued in exchange for Mantaro common shares purchased at \$0.125 will be subject to a hold period and released as follows: 10% on May 21, 2021, an additional 30% on August 21, 2021, an additional 30% on November 21, 2021 and the remaining 30% on February 21, 2022.

Directors and Officers of the Company

Following the Transaction, the leadership team of the Company:

- Dr. Christopher Wilson - Chief Executive Officer, Chairman, Chief Geologist and Director
- Kelvin Lee - Chief Financial Officer & Corporate Secretary
- Charles Hethey - Director
- Darren Hazelwood - Director
- Patrick Hickey - Director
- Focus Communications (Leo Karabelas) - Investor Relations

Stock Option Grants

The Company has granted a total of 5,440,000 stock options to its directors, officers, employees and consultants. The stock options have a five-year term, are exercisable at \$0.35 per share and will vest immediately (except for options issued for investor relations activities).

Additional Information

Additional information about the Company and the Transaction is available on SEDAR at www.sedar.com under the Company's profile. The summary of the Transaction set out above is qualified in its entirety by reference to the description of the Transaction in the Company's filing statement posted on SEDAR.

Qualified Person

>Dr. Christopher Wilson, Ph. D., FAusIMM (CP), FSEG, a Qualified Person under National Instrument 43-101, has reviewed and approved the technical information contained in this news release.

About Mantaro Silver Corp.

[Mantaro Silver Corp.](#) is a British Columbia company that holds a 100% interest in its flagship Santos Gloria Silver Property as well as a 100% interest in the San Jose, La Purisima, Cerro Luque and Huaranay Properties.

Forward-Looking Statements

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. The Company cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Such factors include, among other things: risks and uncertainties relating to Company's limited operating history and the need to comply with environmental and governmental regulations. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in

the forward looking information. Except as required under applicable securities legislation, the Resulting Issuer undertakes no obligation to publicly update or revise forward-looking information.

The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

SOURCE [Mantaro Silver Corp.](#)

Contact

Leo Karabelas
Phone: (905) 305-0308
E-mail: info@mantarosilver.com

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