

Sierra Madre Provides Update on Proposed Definitive Acquisition of La Guitarra

28.12.2022 | [ACCESS Newswire](#)

VANCOUVER, December 28, 2022 - [Sierra Madre Gold and Silver Ltd.](#) (TSXV:SM) ("Sierra Madre" or the "Company") is pleased to provide an update on its proposed acquisition (the "Acquisition") of the La Guitarra Silver-Gold Mine ("La Guitarra"). On May 25, 2022, Sierra Madre entered an arm's length definitive agreement with First Majestic Silver Corp. ("First Majestic") to acquire a 100% interest in the 39,714-hectare La Guitarra Silver-Gold property in the Temascaltepec mining district, Mexico. Details of the Acquisition can be found [here](#).

Earlier this month, shareholders voted in favour of a resolution to approve the proposed acquisition of all the issued and outstanding shares of La Guitarra Compañía Minera S.A. de C.V. from Corporacion First Majestic, S.A. de C.V. ("CFM") in exchange for 69,063,076 common shares of the Company (the "Consideration Shares") at a deemed price of \$0.65 per Consideration Share, having an aggregate value of \$44,890,999 (US\$35 million) (the "Transaction"). The ordinary resolution with respect to the Transaction was approved by 99.99% of the votes cast by shareholders. The Transaction has been Conditionally accepted by the TSX Venture Exchange (the "Exchange"). Given the significance of this Acquisition, Sierra Madre has been recently advised to receive Mexican antitrust approval prior to the resumption of trading. Sierra Madre currently anticipates receiving this antitrust approval during Q1 of 2023.

Alexander Langer, CEO, states, "We are incredibly excited to close the acquisition of La Guitarra with the support of our shareholders, First Majestic, and the Mexican authorities. The acquisition of La Guitarra will provide near-term production and cash flow from the restart of the fully permitted mine and the 500 tonnes-per-day mill while we continue to explore and develop the Tepic and La Tigra properties as part of our multi-pronged strategy."

Highlights of La Guitarra:

- La Guitarra is a high-grade, past-producing underground mine with an on-site process facility that operated up until August, 2018
- Historical Measured and Indicated Mineral Resources of approximately 7.45 million ounces ("oz") of silver-equivalent ("AgEq") and Historical Inferred Mineral Resources of approximately 10.02 million oz AgEq, based on 128,671 metres of drilling[1]
- Functional and expandable 500 tonnes-per-day crushing grinding and flotation facility
- Fully permitted for underground mining
- Currently on care and maintenance, available for prompt restart
- Exploration potential over 15 kilometres of known structures that are untested
- Positive community relations with local stakeholders
- First Majestic to become Strategic and Largest Shareholder of Sierra Madre

About Sierra Madre

[Sierra Madre Gold and Silver Ltd.](#) is a mineral exploration company, currently focused on the acquisition, exploration and development of the Tepic and La Tigra Properties in Nayarit, Mexico. The Company has an experienced management team with a proven track record of wealth creation in Mexico through project discovery, advancement, and monetization. Sierra Madre's key objective is to advance exploration on the Tepic and La Tigra Properties to determine whether they contain commercially exploitable deposits of precious or base metals.

On behalf of the board of directors of [Sierra Madre Gold and Silver Ltd.](#),
"Alexander Langer"
Alexander Langer
President, Chief Executive Officer and Director

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Cautionary Note

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

This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation. The forward-looking statements herein are made as of the date of this press release only, and the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information in this press release includes, but is not limited to, statements with respect to the completion of the Transaction on the terms set out in the definitive agreement (or at all) and the ability of the Company to obtain requisite corporate and regulatory approvals for the Transaction, including but not limited to the approval of the Exchange, Mexican antitrust approval and other governmental approvals as currently anticipated.

In making the forward-looking statements included in this news release, the Company has applied several material assumptions, including that the Company will be able to receive all required regulatory approvals by the timelines currently anticipated (or at all); and that the Company will be able to complete the Transaction on the terms of the definitive agreement. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Company to control or predict, that may cause the Company's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including, but not limited to, the risk that the Company is not able to complete Transaction on the terms set out in the definitive agreement (or at all) and the risk that the Company is unable to obtain requisite corporate and regulatory approvals, including but not limited to the approval of the TSX Venture Exchange, the Mexican antitrust approval and governmental approval as currently anticipated.

Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

[1] These are historical estimates only and are not NI 43-101 compliant mineral resources. For further information regarding the historical mineral resource estimates, please refer to the Company's news release dated May 25, 2022.

SOURCE: Sierra Madre Gold and Silver

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Die URL für diesen Artikel lautet:

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