

Vortex Metals to Acquire up to an 80% Interest in Compelling Copper Project in Chile

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VANCOUVER, June 27, 2023 - [Vortex Metals Inc.](#) (TSXV: VMS) (FSE: DM8) (OTCQB: VMSSF) ("Vortex" or the "Company") is pleased to announce that it has entered into a non-binding Letter of Intent (LOI) for an option to acquire up to an 80% interest in the Illapel Copper Project, with SCM Ventana Minerals Group, a Santiago, Chile based mining Company. The parties have agreed a 90-day exclusivity period to negotiate the definitive agreement.

Illapel Copper Project Highlights:

- Favorable Geology Extends north and south from the Mineralization at the Rio 27 Mine
- Exploration Permits Obtained for Drilling and Exploration
- High-Priority Drill-Ready Targets Identified
- Access to Paved Roads, Power Grid and Water
- 8,000 Hectare Prospective Land Package
- Adjacent to the Rio 27 Mine and Processing Plant
- Year round drilling
- Low Elevation- 1500 metres above sea level

"I believe that the Illapel Project combined with our two Mexican copper-gold assets provides Vortex stakeholders with a significant opportunity. Given the geological settings, all three projects possess the potential to be transformative", said Vortex Chairman and Founder Michael Williams.

Project Overview

The Illapel Copper Gold project is located in the Commune of Illapel, Choapa Province of the Fourth Region of Chile and is located north of Santiago. The nearest town is the mining centre of Illapel located 35 kilometres away. The project has excellent infrastructure connecting paved roads, electricity, and mild climate favourable to year-round exploration. Illapel is fully permitted for exploration, and drilling may potentially commence immediately following the execution of the definitive agreement.

The region surrounding Illapel has seen extensive mining activity, both past and present. Of particular note, the El Espino copper-gold (IOCG) Project (Engineering feasibility complete; awaiting environmental permits. Source: [www.pucobre.cl](#)) is located approximately 14km to the north, and is presently planned for development by Pucobre. Several small gold and copper mines operate in the immediate area.

Rio 27 Mine

The Illapel Project is adjacent to an existing mining operation owned by Ventana Group and known as the Rio 27 mine. The mine has been in production since 2010 with its near-site processing plant. Ventana has advised that to date, approximately 400,000 tonnes of mineralized material with an average grade of 1.39% copper has been processed at site. The LOI provides Vortex with a right of first refusal (ROFR) on the Rio 27 Mine and processing facility.

Vikas Ranjan, Chief Executive Officer and a Co-Founder of Vortex Metals, stated that Vortex Metals is thrilled to announce the option to acquire a highly prospective exploration project, adjacent to, and extending from, an existing mining operation owned by one of the largest copper producer in the world, accounting for approximately 28% of global copper production. In our view one of the best ways to make a discovery is to explore by an existing mine. We believe that with the Illapel Copper property, we will acquire an extremely prospective project that is drill-ready.

Geology and Mineralization

At Illapel, stratabound mineralization of copper (chalcocite and bornite) and silver is hosted in Jurassic and Lower Cretaceous continental sedimentary and volcanoclastic rocks to the east of the Manquegua Fault. The Manquegua Fault is a regionally significant fault separating the Farellon Sanchez Intrusive formation to the west from the sandstone volcano-sedimentary formations to the east where the Rio 27 Mine is located. Mineralization in the Rio 27 Mine is cupro-argentiiferous with primary chalcocite and bornite hosted in mantos, veins and lesser breccias.

Exploration

Mineralization at the Rio 27 mine is associated with NNE-trending structures and felsic dykes where they are intersected by WNW-trending structures and ocoite (andesite porphyry) dykes. A vertical control is also present, with certain stratigraphic units being more favorable to manto-style mineralization. The favorable geology extends immediately north and south from the mineralization at Rio 27, and comprises high-priority targets that may be tested early in the program.

The favorable structure and dykes, with cross-cutting ocoite and associated copper oxides, are found at multiple locations within the project area, and represent high-quality targets for exploration and drilling.

Finally, gold-bearing epithermal veins are found in the western portion of the project area, and represent additional targets for exploration and drilling in and of themselves.

Terms and Conditions of the Illapel Copper Deal

The transaction is subject to several conditions including the negotiation of a definitive agreement and the approval of the TSX Venture Exchange. The parties have agreed to a 90-day exclusivity period to negotiate the definitive agreement. The material terms and conditions of the non-binding LOI are as follows:

Stage 1 - 60% interest

Vortex will have the right to earn a 60% interest in the Illapel Project by making cash payments, issuing Vortex Shares, and incurring exploration expenditures in accordance with the following schedule.

Deadline	Cash Payments (USD)	Vortex Shares Issuance	Exploration Expenditures ¹
Five business days following the satisfaction or waiver of all conditions precedent in the Definitive Agreement.	\$200,000	n/a	n/a
No later than twelve (12) months after the Effective Date	\$150,000	n/a	n/a
No later than twenty-four (24) months after the Effective Date	\$200,000	3,000,000	2,000,000
No later than thirty-six (36) months after the Effective Date	\$275,000	n/a	\$1,000,000
No later than forty-eight (48) months after the Effective Date	\$275,000	n/a	\$2,000,000

No later than sixty (60) months after the Effective Date	n/a	5,000,000	\$5,000,000
Completion of Pre-Feasibility Study in no later than seventy-two (72) months after the Effective Date	n/a	15,000,000 shares	n/a
Vortex may extend the time to complete the pre-feasibility study by a further 12 months by increasing the cash portion of the First Option obligation by \$200,000			
Completion of Pre-Feasibility Study in no later than eighty-four (84) months after the Effective Date	200,000	15,000,000 shares.	
Totals	\$1,100,000/\$1,300,000	23,000,000 (subject to a 19.9% cap calculated on the issued and outstanding common shares of Vortex (the "Cap"))	\$10,000,000

1

If Vortex spends USD 10,000,000 in exploration expenditure but decides not to exercise the stage one option, then the Definitive Agreement will terminate, additional 5,000,000 Vortex shares will be issued, and the ownership of the Project will remain with Ventana. Vortex will then be granted a Net Smelter Royalty (NSR) of 1.5% on the entire project, encompassing all mining claims subject to this agreement with maximum amount recoverable through the NSR being capped at USD 10,000,000.

Stage Two - Additional 20% interest (80% total)

Following the exercise of the First Option, Ventana will grant Vortex an option to earn an additional 20% interest in the Project (the "Second Option") by completing a feasibility study on the Project. The Second Option will be deemed to be validly exercised upon the completion of the feasibility study on the Project as described above.

Once Vortex exercises the Second Option, it will arrange project financing for 100% of the project, including Ventana's share of 20% which will be recovered from commercial production.

Ventana will also be granted a Net Smelter Royalty (NSR) of 2.5% on the entire project, encompassing all mining claims subject to this agreement from the effective date of this agreement. Vortex will have a right to buy 0.5% of the NSR by paying USD 1.75M at any time from the effective date of this agreement.

All Vortex Shares issuable pursuant to the Definitive Agreement will be subject to a 24-month contractual escrow from the date of issuance. 25% of the Vortex Shares will become free trading every 6 months following the date of issue. It is expected that Ventana will nominate one person to the board of Vortex following the definitive agreement becoming effective.

Qualified Person / Quality Control and Quality Assurance

Dr. John E. Larson, Ph.D., is a qualified person ("QP") as defined by NI 43-101 and has reviewed and approved the technical content of this press release.

About Vortex Metals Inc.

[Vortex Metals Inc.](#) is the parent company of Mexican subsidiary Empresa Minera Acagold, S.A. de C.V., which is the owner of a 100% interest in two drill-ready high-potential copper volcanogenic massive sulfide (VMS) properties (Riqueza Marina and Zaachila) in the state of Oaxaca, and a third high-potential gold property (El Rescate) in the state of Puebla. The Oaxaca projects incorporate the most highly prospective areas of high-grade copper mineralized surface exposures ('gossans') and prominent gravity anomalies along an emerging copper VMS belt that includes Minaurum Gold's (TSXV:MGG) Santa Marta project.

Forward-Looking Statements

This press release may contain forward looking statements that are made as of the date hereof and are based on current expectations, forecasts and assumptions which involve risks and uncertainties associated with our business including permitting approvals, any private placement financings, the uncertainty as to whether further exploration will result in the target(s) being delineated as a mineral resource, capital expenditures, operating costs, mineral resources, recovery rates, grades and prices, estimated goals, expansion and growth of the business and operations, plans and references to the Company's future successes with its business and the economic environment in which the business operates. All such statements are made pursuant to the 'safe harbour' provisions of, and are intended to be forward-looking statements under, applicable Canadian securities legislation. Any statements contained herein that are statements of historical facts may be deemed to be forward-looking statements. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. We caution readers of this news release not to place undue reliance on our forward-looking statements as several factors could cause actual results or conditions to differ materially from current expectations. Please refer to the risks set forth in the Company's most recent annual MD&A and the Company's continuous disclosure documents that can be found on SEDAR at www.sedar.com. The Company does not intend, and disclaims any obligation, except as required by law, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Contact

Vikas Ranjan, Chief Executive Officer and Director, Email: vranjan@vortexmetals.ca, Phone: 416-605-7024. The Company cautions that mineralization on, or production from, neighbouring properties is no guarantee of the existence of similar mineralization or a guarantee of future production from the Illapel Project.

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