

South Atlantic Gold Options Big Kidd Project for \$4.8 million and 2% NSR

09.11.2022 | [The Newswire](#)

Kelowna, November 9, 2022 - [South Atlantic Gold Inc.](#) (TSXV:SAO) ("South Atlantic" or the "Company") is pleased to announce that it has entered into an option agreement to divest its 100% interest of the Big Kidd Project, British Columbia, to Quetzal Copper Limited ("Quetzal"), a British Columbia, corporation for a total consideration of \$4.8 million and a 2% net smelter royalty ("NSR") upon completion of the required milestones.

Option Terms

- A cash payment totaling \$150,000 to South Atlantic, subject to a Qualifying Financing by Quetzal (\$10,000 due immediately, with the balance due within a period of up to 60 days, commencing November 4th);
- \$200,000 per year on or before the 1st, 2nd, 3rd and 4th anniversary of the option signing date (November 4th, 2022);
- At the 5-year anniversary of the signing, Quetzal will make a cash payment of \$350,000 or if Quetzal is publicly listed on a recognized stock exchange in North America it may elect to issue common shares with a market value of \$350,000 to South Atlantic;
- Further Milestone payments
 - ooFollowing the completion of 40,000 meters of drilling at Big Kidd, Quetzal will make a payment of \$300,000 in cash or shares, at its election (if listed on a recognized stock exchange in North America);
 - ooFollowing the filing of a Pre-Feasibility Study on Big Kidd, Quetzal will make a cash payment of \$1,200,000 in cash or shares, at its election (if listed on a recognized stock exchange in North America);
 - ooFollowing the filing of a Feasibility Study on Big Kidd, Quetzal will make a payment of \$2,000,000 (if listed on a recognized stock exchange in North America);
- Net Smelter Royalty
 - ooSouth Atlantic Gold will retain a net smelter royalty of 2% over asset, of which 1% may be bought back by Quetzal for \$2 million. In the event that there is a third party offer for such 1% royalty, Quetzal will retain a right of first refusal to purchase the royalty on terms no less favorable than the third party offer to South Atlantic. The remaining 1% royalty will be at South Atlantic's discretion.

Douglas Meirelles, President and CEO stated, "We are pleased to have entered into this option agreement, unlocking significant shareholder value from our Big Kidd property. With a total consideration in excess of our current market cap, the transaction underscores the value within South Atlantic. We believe that Big Kidd is an exciting copper-gold prospect and are pleased to have retained upside exposure via a 2% royalty. We look forward to Quetzal in advancing the project over the coming years, while we utilize the option proceeds to focus on advancing our flagship asset, Pedra Branca in Brazil."

About South Atlantic Gold

South Atlantic Gold is an exploration company engaged in acquiring and advancing mineral properties

located in the Americas. Our flagship asset is the 100%-owned Pedra Branca project, located 280 km southwest of Fortaleza, Ceará State, Brazil. South Atlantic Gold is focused on creating value for its shareholders by engaging in the development and acquisition of high-quality mineral assets located in stable and mining-friendly jurisdictions. South Atlantic Gold is based in Kelowna, British Columbia, and is listed on the TSX-V under the symbol "SAO".

ON BEHALF OF THE BOARD

Douglas Meirelles, President and CEO

For more information regarding this news release, please contact:

Anne Hite, Vice President, Investor Relations

T: 250-762-5777

Email: ir@southatlanticgold.com

Cautionary Note Regarding Forward-Looking Information

This news release contains statements that constitute "forward-looking Information", as such term is used in applicable Canadian securities laws. Such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information includes statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Although the Company believes the forward-looking information contained in this news release is reasonable based on information available on the date hereof, by its nature forward-looking information involves assumptions and known and unknown risks, uncertainties and other factors which may cause our actual results, level of activity, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. There can be no assurance that the Fundamental Acquisition will be completed as proposed or at all.

Examples of such assumptions, risks and uncertainties include, without limitation, assumptions, risks and uncertainties associated with general economic conditions; the Covid-19 pandemic; adverse industry events; the receipt of required regulatory approvals and the timing of such approvals; that the Company maintains good relationships with the communities in which it operates or proposes to operate, future legislative and regulatory developments in the mining sector; the Company's ability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favorable terms; mining industry and markets in Canada and generally; the ability of the Company to implement its business strategies; competition; the risk that any of the assumptions prove not to be valid or reliable, which could result in delays, or cessation in planned work, risks associated with the interpretation of data, the geology, grade and continuity of mineral deposits, the possibility that results will not be consistent with the Company's expectations, as well as other assumptions risks and uncertainties applicable to mineral exploration and development activities and to the Company, including as set forth in the Company's public disclosure documents filed on the SEDAR website at www.sedar.com.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

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