

Prospero Silver Corp

09:30 18 Dec 2018

Prospero Silver with potential catalysts ahead after Fortuna Silver Mines exercises option for Pachuca SE

Prospect generator group Prospero Silver Corp (CVE:PSL) reached another key moment in its evolution as mid-tier gold producer and the firm's largest investor Fortuna Silver Mines Inc (TSE:FVI) picked one of its projects to acquire an interest in.

It fires the starting pistol on a drill program potentially in early 2019 and advancing Prospero's Pachuca SE project in Mexico.

WATCH: Prospero Silver Corp make deal with Fortuna Silver on Pachuca Southeast project
Fortuna, an established mine builder, has pumped in well over \$2 million, which Prospero has used to drill a number of its projects.

But now the former has opted to exercise its right to be granted an option to acquire up to a 70% interest in Pachuca SE.

The site lies 25km east of the old Pachuca mine, which produced around 1.2 billion ounces of silver and drove much of the Spanish Empire.

"The Prospero team is excited to be returning for a second round of drilling on the project," said Tawn Albinson, the president of Prospero in the regulatory release.

"We hope to recommence work in January 2019, subject to completion of a definitive option and joint venture agreement with Fortuna.

"There are several distinct targets that we hope to test and planning will begin shortly with Fortuna's technical team."

It means Fortuna must spend a total of US\$8 million in expenditures to earn a 70% interest and complete a preliminary economic assessment (PEA). There is a minimum spend of \$1 million in the first year.

In the first quarter of this year, Prospero completed a 1,800m (meter), three-hole drill program, testing three distinct targets.

In March, the firm said it had uncovered a new gold-and-silver-bearing vein system at the Pachuca Southeast project in Mexico.

The firm said it had "cut new vein systems within 25km of one of the world's great silver-gold districts, the Pachuca-Real Del Monte system, which produced over 1.2-billion ounces of silver".

Price: C\$0.07

Market Cap: C\$4.02M

1 Year Share Price Graph



Share Information

Code: PSL

Listing: TSX-V

52 week High Low
C\$0.15 C\$0.05

Sector: Platinum & Precious Metals

Website: www.prosperosilver.com

Company Synopsis:

Prospero Silver is a Project Generator looking for world-class precious metal projects in the great Altiplano mineral belt of northern Mexico, a region our highly-experienced team knows well. We're using a unique blend of practical exploration experience and cutting-edge science in our discovery programs, drawing on over 60 years of in-country experience.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

Ralph Rushton, Prospero's executive vice president of business development, suggested in a recent interview with Proactive that this is what had piqued Fortuna's interest in Pachuca SE.

What is Prospero Silver?

The group is a Mexico-focused grass-roots explorer aiming to discover world-class precious metal projects.

It has an existing portfolio of drill-ready targets and a pipeline of additional projects.

In a nut shell, its prospect generator model means it has a portfolio of grassroots properties on which it aims to create joint venture partnerships with other, usually bigger firms, which spend their own money and time advancing the project in exchange for a majority ownership position.

Its Buenavista project in Durango state is an epithermal vein system, with gold, silver and some copper, lead, zinc sulphides.

At El Petate, 12 holes were completed last year in an initial drill program. The property lies up to three hours from Mexico City and has an extensive local mining with historic production of 1.2 billion ounces of silver and 6 million ounces of gold.

The Bermudez property in Northwest Chihuahua is an epithermal gold-silver vein system, which was acquired by staking in 2010. So far the group has spent up to \$100,000 on the property.

A strong team

Prospero has a strong team at the helm. Rushton has over 18 years exploration and mining experience in Africa and the Middle East.

Chairman William Murray has over 30 years' of international experience in engineering and mine development and served as a director on various public companies including Polymet Mining and the former Baja Mining.

President and vice-president of Exploration Tawn Albinson has over 25 years' experience in exploration and mine development in Mexico.

Silver to shine?

Despite a lacklustre performance this year, there is optimism the silver price will bounce back in 2019 and for Prospero, which is still at such an early stage, can only be positive.

According to analysts, the precious metal, which is also used significantly in industry, was dragged down by weak base metals, in particular, copper which fell from a four-year high in June.

It is expected to outperform gold in 2019 as the U.S. dollar weakens as the Federal Reserve slows down monetary tightening. It also has safe haven credentials amid uneasy global trade tensions.

So the ducks may be lining up nicely in a row for Prospero and investors should be on the lookout for a good deal of newsflow in the coming months.

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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