

Megumagold Corp.

09:22 09 Dec 2019

MegumaGold continues to expand land position on Moose River anticline

MegumaGold Corp (CSE:NSAU) said Monday that it has struck an option agreement with Genius Metals Inc (CSE:GENI) to acquire up to a 100% interest in six mineral exploration licences totalling 100 claims on 1,620 hectares directly adjoining the company's Touquoy West licences to the east and St Barbara Ltd's licenses to the west.

The Genius licences encompass the interpreted western extension of the Moose River trend which hosts St Barbara Ltd's operating Touquoy Gold Mine, its Beaver Dam and Fifteen Mile stream development projects.

The Canadian junior gold exploration company said in combination, these deposits contain current proven and probable mineral reserves of 1.9 million contained gold ounces.

READ: MegumaGold reports more encouraging soil results from Touquoy West project

In 2020, the Touquoy Gold Mine is expected to produce 95,000-105,000 ounces of gold at all-in-sustaining-costs of between US\$630-\$670 ounces, making it one of the lowest cost producers in the world.

MegumaGold's work has recently been concentrated in the Touquoy West Project area and has been successful in defining large arsenic in soil trends that are locally supported by corresponding elevated gold results.

These features are developed along the interpreted west extension of the Moose River anticline that hosts the open pit Touquoy Gold Mine. The company believes that this structure can be traced along an aeromagnetic trend that extends from the Touquoy Mine area southwesterly across St Barbara Ltd holdings and then across the Touquoy West holdings.

At that point, it appears to continue beyond MegumaGold's west property boundary onto the optioned Genius property. The western arsenic and gold in soil trend identified by recent company work is approximately 2,200 meter (m) in strike length at present, has a width ranging between 100 and 700 m, and remains open along strike to the southwest onto the Genius claims, said the company.

"We're very pleased to come to this agreement with Genius. The Moose River anticline is a very long anticlinal trend that hosts multiple gold deposits in its eastern and central areas, which has seen very little exploration work in the west," said MegumaGold President Theo Van der Linde.

"The acquisition of this group of licenses is great real estate for MegumaGold since a large, recently defined arsenic and gold anomaly on the company's adjoining Touquoy West property trends directly onto the newly acquired Genius claims," he added.

Price: 0.175

Market Cap: \$16.94 m

1 Year Share Price Graph



Share Information

Code: NSAU

Listing: CSE

52 week High Low
0.205 0.055

Sector: Materials

Website: www.megumagold.com

Company Synopsis:

MegumaGold Corp. , an exploration stage company, acquires, explores for, and develops natural resources properties primarily in the United States and Canada. It primarily holds a 100% interest in the White Caps gold project that includes 2,800 acres of patented and unpatented mining and mill site claims located in the Manhattan Mining District of Nevada. The company was formerly known as Coronet Metals Inc.

action@proactiveinvestors.com

Terms of the agreement

According to the pact, the company may earn up to a 70% interest in six Genius mineral exploration licences by satisfying the following conditions:

- MegumaGold must issue to Genius within ten business days from the effective date, 250,000 shares which are subject to a statutory four months and one day hold period. In addition, 50% of the shares are subject to a contractual one-year hold period.
- Initial 49.9% earn-in: In order to earn the initial 49.9% interest in the property, MegumaGold must within 18 months from the effective date, launch initial exploration work on the property relating to an initial exploration program made up of ground surveys to pre-drilling targeting work, totalling at least \$100,000.
- Additional 20.1% Earn-In: In order to earn an additional 20.1% interest in the property, MegumaGold must within 12 months from the initial Earn-In obligations, incur a diamond drilling program on the property, totalling at least \$150,000.
- On MegumaGold fully exercising the option to earn 70% of the property, Genius shall have the option to convert its remaining 30% interest in the property, into a 2% net smelter royalty, resulting in MegumaGold owning a 100% interest in the property, and Genius owning a 2% net smelter royalty. The terms of the net smelter royalty will be negotiated between Genius and MegumaGold, and will include a term whereby Meguma will have an option to acquire 50% of the 2% NSR for \$1 million, leaving Genius with a 1% net smelter royalty.

MegumaGold holds a package of 107,114 hectares within the well-known Meguma gold district in Nova Scotia.

Contact the author Uttara Choudhury at uttara@proactiveinvestors.com

Follow her on Twitter: [@UttaraProactive](https://twitter.com/UttaraProactive)

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

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

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Megumagold Corp. named herein, including the promotion by the Company of Megumagold Corp. in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).