

Metalla Royalty & Streaming Ltd

07:40 23 Oct 2020

Metalla Royalty & Streaming acquires 1% royalty on Minera Alamos' La Fortuna project in Mexico

Metalla Royalty & Streaming Ltd (NYSEAMERICAN:MTA) (CVE:MTA) said it has acquired a 1% net smelter return royalty (NSR) on Minera Alamos' (CVE:MAI) La Fortuna gold mine project in Durango State, Mexico, where construction is expected to begin in 2022.

The royalty and streaming group has exercised its option with Alamos Gold Corp (NYSE:AGI) (TSE:AGI), which owns the NSR, for a total consideration of US\$1 million.

READ: Metalla Royalty & Streaming reports uplift in revenue and operating cash margin in first quarter

"We are pleased to acquire another development royalty on a quality gold project in Mexico," said Brett Heath, Metalla's CEO in a statement.

"This royalty enhances our already robust footprint in Mexico and provides shareholders with exposure to a medium-term development project and potential exploration success within the land package."

In a 2018 preliminary economic assessment released in August 2018, La Fortuna is envisioned as an open-pit milling operation expected to produce an average of 50,000 ounces of gold-equivalent over a 5-year mine life at an all-in sustaining cost of US\$440 per ounce.

The after-tax net present value (NPV), at a 7.5% discount rate, was pegged at US\$69.8 million, an internal rate of return (IRR) of 93% and an 11-month payback, assuming gold at US\$1,250 per ounce, silver at US\$16 per ounce and copper at US\$2.60 per pound.

Minera Alamos has said it has procured major mill components and is currently negotiating a debt package for a 12-month build phase and expects to receive permits in the second half of 2020, with construction expected to begin in 2022.

Within the project's footprint, Minera Alamos has found other major gold-bearing structures that exhibit a similar style of mineralization, including the Ramada, PN Zone and Cerro Pelo.

In April, 2019 Metalla acquired, from Alamos Gold, an option to acquire the NSR for a deposit of US\$400,000 in Metalla shares upon completion of satisfactory due diligence.

It allowed Metalla to complete the acquisition for a further US\$600,000 in cash, which has now been paid.

Contact the author at giles@proactiveinvestors.com

Price: 15.5

Market Cap: \$614.05 m

1 Year Share Price Graph



January 2020 July 2020 January 2021

Share Information

Code: MTA

Listing: TSX-V

52 week High Low
16.87 4.06

Sector: Gold & silver

Website: www.metallaroyalty.com

Company Synopsis:

Metalla was built to generate leveraged precious metal exposure by acquiring royalties and streams for our shareholders. Our goal is to increase share value by accumulating a diversified portfolio of royalties and streams with attractive returns.

action@proactiveinvestors.com

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 Metalla Royalty & Streaming Ltd named herein, including the promotion by the Company of Metalla Royalty & Streaming Ltd 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).