

Riverside Provides Option Agreement and Partner Funding Update for Its Peñoles Project, Durango, Mexico

22.10.2013 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Oct 22, 2013) - [Riverside Resources Inc.](#) ("**Riverside**" or the "**Company**") (TSX VENTURE:RRI)(PINKSHEETS:RVSDF)(FRANKFURT:R99), is pleased to provide an update on the status of its option agreement with partner Sierra Madre Developments Inc. ("Sierra Madre") for the Company's Peñoles Project. In 2011, Riverside and Sierra Madre entered into an option agreement (news release March 7, 2011) whereby Sierra Madre could earn an initial 51%. To-date, Riverside has received \$2,100,000 in cash and shares from Sierra Madre, which helped cover Riverside's exploration investment costs. Sierra Madre also incurred more than \$3,000,000 in drilling and exploration expenditures. The remaining requirements to earn 51% include a payment of \$1,350,000 in cash, \$1,500,000 in shares and \$750,000 in further exploration expenditures.

Riverside's partner, Sierra Madre, has entered into an arm's-length non-binding letter of intent (the "Letter of Intent") pursuant to which Morro Bay Capital, a capital pool company with more than \$2,500,000 in the treasury ("Morro Bay"), will acquire all of the rights and obligations Sierra Madre has in the Peñoles project under the Option Agreement with Riverside (the "Transaction"). The Transaction will see Morro Bay acquire all of Sierra Madre's Mexican mining interests, in exchange for 16 million Morro Bay common shares (the "Morro Bay Shares") and share purchase warrants entitling the holders thereof to acquire up to 8 million Morro Bay common shares (the "Morro Bay Warrants"). The Morro Bay warrants will have a strike price of \$0.15 if exercised prior to June 15, 2014 and an exercise price of \$0.25 if exercised on or after June 15, 2014 but prior to the expiry date which will be one (1) year after their issuance.

Upon closing of the Transaction it is anticipated that Riverside, as a major shareholder of Sierra Madre, will receive approximately 3,700,000 Morro Bay shares and more than 1,850,000 Morro Bay warrants. Riverside will still hold more than 12,500,000 Sierra Madre shares, with Sierra Madre continuing with its Canadian mining interests after the Transaction.

Riverside's President and CEO, John-Mark Staude stated, "*Riverside is pleased to see the Peñoles Project progress with a new well-funded partner capable of forwarding the option and committing additional capital for drilling and exploration. Having the Peñoles Project move ahead with further funding during these tough markets is another good example of Riverside's ability to generate quality assets. Riverside works to capture value for all stakeholders including our partners.*"

The Transaction is subject to a number of conditions, including the approval of the shareholders of Morro Bay and Sierra Madre as well as the TSX-Venture exchange.

Transaction Details:

As indicated above, pursuant to the Letter of Intent dated October 11, 2013, subject to the conditions thereof and receipt of all required approvals, in consideration of 16 million Morro Bay shares and the Morro Bay Warrants, Morro Bay will acquire the Mexican interests of Sierra Madre including the rights and obligations of Sierra Madre under the Option Agreement between Sierra Madre and Riverside dated May 25, 2011 as amended June 30, 2011 and replaced with a new agreement on February 14, 2012 and as amended February 28, 2013 (the "Peñoles Option Agreement"). Riverside currently owns 100% of the Peñoles Project but pursuant to the Peñoles Option Agreement, Riverside has granted an option to Sierra Madre by which Sierra Madre can earn an initial 51% in the Peñoles Project by completing further exploration work expenditures and cash and share payments.

Morro Bay and Riverside have reached an agreement in principle which, subject to completion of the

Transaction, will result in amendments to the Peñoles Option Agreement as it currently stands. As a result of these amendments on closing of the Transaction, in order to earn a 51% interest in the Peñoles Project, Morro Bay will be required to incur \$750,000 in exploration expenditures by March 31, 2014, and pay to Riverside \$1,350,000 million cash (\$100,000 and USD \$1,250,000) and issue \$1,500,000 million in Morro Bay shares (or cash at Morro Bay's election) by June 30, 2014.

The Amended Option terms are not effective unless the Transaction is completed. A formal Option amending agreement is anticipated to be entered into within the next 60 days. For further Transaction details please refer to the Sierra Madre and Morro Bay joint press release dated October 22, 2013.

Capitalization

As of the date hereof, Morro Bay has 30,979,950 common shares issued and outstanding, 2,667,995 Agent's options exercisable at \$0.10, and 1,000,000 incentive stock options outstanding exercisable at \$0.10. Upon completion of the Transaction Morro Bay will have 46,979,950 common shares outstanding.

About the Peñoles Project:

The Peñoles Assets include 350 km² of concessions staked by Riverside in 2008 and several smaller concessions covering historic mine workings purchased by Riverside from the underlying owners all such concessions being located in the Peñoles Mining District, Durango, Mexico (the "Peñoles Project"). Peñoles is a historic silver mining district in the Durango Silver Belt that has had relatively little modern exploration. Published historical accounts indicate that Compania Minera Industrias Peñoles operated several vein-type, underground silver mines at Peñoles from 1887 to 1908, however production records are limited and potential extensions of the mines have not been systematically explored. The Peñoles Project includes two historic silver mines (Jesus Maria and San Rafael), an oxide gold prospect (referred to as El Capitan) and numerous exploration targets. Please click the following link for more information on the Peñoles Project: <http://www.rivres.com/index.php/projects/partner-funded-projects/penoles>.

Qualified Person and QA/QC:

The scientific and technical data contained in this news release pertaining to the Peñoles Project was reviewed by Riverside's Chief Geologist, David S. Smith, MS, MBA, CPG, a non-independent qualified person to Riverside Resources who is responsible for ensuring that the geologic information provided in this news release is accurate and acts as a "qualified person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects.

About Riverside Resources Inc.:

Riverside is a well-funded prospect generation team of focused, proactive gold discoverers with the breadth of knowledge to dig much deeper. The Company currently has more than \$5,000,000 in the treasury and approximately 37,000,000 shares outstanding. The Company's model of growth through partnerships and exploration uses the prospect generation business approach to own resources, while partners share in de-risking projects on route to discovery. Riverside has additional properties available for option with more information available on the Company's website at www.rivres.com.

ON BEHALF OF [Riverside Resources Inc.](http://www.rivres.com)

Dr. John-Mark Staude, President & CEO

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact

[Riverside Resources Inc.](#)

John-Mark Staude

President & CEO

(778) 327-6671

(778) 327-6675

info@rivres.com

www.rivres.com

[Riverside Resources Inc.](#)

Joness Lang

Manager, Corporate Development

(800) RIV-RES1

(778) 327-6675

jlang@rivres.com

www.rivres.com

Dieser Artikel stammt von [GoldSeiten.de](#)

Die URL für diesen Artikel lautet:

<https://www.goldseiten.de/artikel/186029--Riverside-Provides-Option-Agreement-and-Partner-Funding-Update-for-Its-Penoles-Project-Durango-Mexico.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by GoldSeiten.de 1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).