

Deep-South Resources to Acquire 75% of the Kapili Tepe Copper, Nickel, Cobalt and Gold Project in Turkey

19.06.2018 | [The Newswire](#)

Will Proceed with a Private Placement and Will Seek a Listing in London

Vancouver, June 19, 2018 - [Deep-South Resources Inc.](#) ("Deep-South" or "the Company") (TSX-V: DSM) announces that it has signed an agreement (the "Agreement") to acquire from Baltic Investment Group ApS ("Baltic"), 75% of the Kapili Tepe project in the Sivas Province in the North Central part of Turkey. Furthermore, Deep-South will acquire all the exploration and metallurgical data from Afrasia Mining & Energy Investment Holdings Ltd ("Afrasia").

Upon completion of a satisfactory due diligence, Deep-South shall acquire all the common shares held by Baltic in RCR Quantum ("Quantum"), a Turkish company, which holds the Kapili Tepe project comprising one (1) mining license and two (2) exploration licenses. Deep-South shall acquire the shares in consideration for the following common shares of Deep-South to Baltic:

1. 1. aUpon Closing Deep-South shall issue 3.5 million common shares to Baltic and;
1. 1. bUpon completion of a resources estimation prepared in accordance with CIM definitions and compliant with the National Instrument 43-101, estimating an inferred resource totaling a minimum of 20 million tonnes at a minimum grade of 1% Cu equivalent, Deep-South shall issue common shares to Baltic for a valuation of CA \$ 2.4 million;
1. 1. cIn the case that the first resources estimation prepared in accordance with CIM definitions and compliant with the NI 43-101 or any further NI 43-101 compliant resource estimation, estimates an inferred resource totaling a minimum of 100 million tonnes at a minimum grade of 1% Cu equivalent, Deep-South shall issue additional common shares to Baltic for a valuation of CA \$ 2 million;
1. 1. dA first NI 43-101 resource estimation report shall be completed by March 31, 2019. Deep-South shall not be allowed to sell its interest in Quantum until the first NI 43-101 resource estimation is completed;
1. 1. eUpon Closing Baltic shall hold the right to appoint one Director to the Board of Deep-South;

The Agreement is conditional to the approval of the TSX Venture Exchange and the Ministry of Energy and Natural Resources of Turkey. All securities issued to Baltic pursuant to the Agreement will be subject to a holding period of four months and a day from the date of issuance.

Data acquisition:

Upon completion of a satisfactory due diligence, Deep-South shall acquire all the exploration and metallurgical data from Afrasia in consideration for the following common shares of Deep-South to Afrasia:

1. 1. aUpon Closing Deep-South shall issue 700,000 common shares to Afrasia;

1. 1. fUpon completion of a resources estimation prepared in accordance with CIM definitions and compliant with the National Instrument 43-101, estimating an inferred resource totaling a minimum of 20 million tonnes at a minimum grade of 1% Cu equivalent, Deep-South shall issue common shares to Afrasia for a valuation of CA \$ 360,000;
1. 1. gIn the case that the first resources estimation prepared in accordance with CIM definitions and compliant with the NI 43-101 or any further NI 43-101 compliant resource estimation, estimates an inferred resource totaling a minimum of 100 million tonnes at a minimum grade of 1% Cu equivalent, Deep-South shall issue additional common shares to Afrasia for a valuation of CA \$ 300,000;

The Agreement is conditional to the approval of the TSX Venture Exchange and all securities issued to Afrasia pursuant to the Agreement will be subject to a holding period of four months and a day from the date of issuance.

Mr. John Akwenye, Chairman of Deep-South stated, "We are very enthusiastic with this transaction. We are securing a large area in the heart of a highly prospective area in one of the most mining friendly country in the world. Kapili Tepe is a high-quality asset that adds strong value for our shareholders."

About the Kapili Tepe Project:

The Project is located close to Imranli in the province of Sivas in north-east Central Turkey, approximately 500Km due east from Ankara by good asphalt roads. The Kapili Tepe project is situated within Tethyan Orogenic Belt of Turkey. The project comprises one Mining License and two Exploration Licenses, which importantly are both contiguous and adjacent.

The licensed area covers approximately 50 Km² and both the mineralized zones and structural hosting features have been proven by both geological and structural mapping to extend for many Km to both the north-east (of the Main Zone (MZ)) and east (of the South-East Zone (SEZ)) offering district size potential for the project.

Geologically the project could broadly be described as follows;

The project area sits on the Tethyan Orogenic Belt of Turkey. The property as a whole consists of ultramafic rocks that have been sheared and broken along thrust faults. Fluids travelling through the shear and along the thrust faults strongly altered the rocks over an area of several square kilometers.

The broad geology of the project area can therefore be regarded as several ophiolite thrust sheets bounded by highly altered and brecciated shear zones (= "mineralised zones") which dip moderately to the south-east. The resultant copper and nickel mineralization which is strongly disseminated was deposited within the layered rocks, as evidenced by the numerous surface exposures of copper mineralised materials and staining.

The Most important observations are :

There are no more than twenty surface locations recorded with grades of over 1% copper showing, mainly oxides but some disseminated sulphides also appear;

The upper zone areas show stronger copper oxide mineralization, i.e. Malachite, Azurite and Cuprite, with high nickel grades;

More sulphide mineralisation occurs as one gets deeper and disseminated as both grains and veining of dominant chalcopyrite, but with Bornite, Chalcocite and Covellite;

All of these sulphides indicate potential Volcanic Massive Sulphide ("VMS") origin and the latter two; Chalcocite and Covellite are interesting as strong indicators for a significant zone of secondary enrichment (supergene).

The project has been explored by Falconbridge in the early 2000's. They have conducted geological mapping, large and deep induced polarization (IP), grab and rock sampling programs. Falconbridge has identified two extensive outcropping areas. The Main Zone (MZ) is outcropping over a length of 4,500 metres and a width between 75 and 100 metres. The South East Zone (SEZ) has overlapping outcrops over a length of 1,500 metres and an average width of 30 metres. Some of the rock sampling results as follows:

2002 assay samples Main Zone

Sample	Cu (ppm)	Ni (ppm)	Co (ppm)	Au (ppm)
PG 09205	79,000	700	32	0.05
PG 02955	20,000	190	24	0.02
PG 02903	15,000	47	14	0.07

2002 assay samples South-East Zone

Sample	Cu (ppm)	Ni (ppm)	Co (ppm)	Au (ppm)
PG 02918	56,000	3,900	210	0.04
PG 02906	730	36,000	89	0.01
PG 02956	120	11,000	220	0.01

In 2011, Red Crescent Resources, a company previously listed on the Toronto Stock Exchange (TSX) acquired the project and has conducted a further confirmatory deep IP study review and some 1500 metres of drilling and some channel sampling. The diamond drilling was conducted at a maximum depth of 100 metres and included some results such as follows in MZ:

MZ - 001: Drilled true thickness 69 metres including:

Drilled Thickness (m)	Weighted Average Cu (%)	Depth from	Depth To
10	0.49	27.8	37.8
Including 5.8	0.60	30.0	35.8

And some results such as follows in SEZ:

SEZ- 007 true thickness 82.5 metres including:

Drilled Thickness (m)	Weighted Average Cu (%)	Depth From (m)	Depth To (m)
6.0	0.57	30.7	36.7
7.0	0.36	39.7	46.7
26.6	0.59	48.9	75.5

Including 8.3

1.12

54.3

62.6

In SEZ RCR has also conducted surface channel sampling over a 60m wide zone of outcropping copper mineralisation within listvenite exposures. The sampling was undertaken in the form of continuous 2 m channel samples as well as a 25-tonne bulk sample for process metallurgical test works. The channel samples were sent for mineralization study and preliminary metallurgical test work in South Africa at 3 independent laboratories and these tests were significantly indicative of both the strong poly-metallic nature of the mineralization for base & precious metals, as well as best potential process route.

The central portion of the sampled zone contains stockwork quartz and barite veining and returned an average grade of 1.04% Cu over approximately 26 m including a higher-grade zone of 2,1% Cu over 4 m.

Cobalt grades for the SEZ were not seen as representative as they were only tested from samples taken from the small bulk sample test pit area. However, they assayed with grades of 0.35% to 0.66%. The 0.66% Co sample also tested at 19.7% Ni.

Mineral Resources have not been estimated yet on the project nor has it demonstrated economic viability at this stage. The historical drilling and sampling results demonstrate potential to classify the project as one of merit but are considered too speculative geologically to complete a NI 43-101 compliant resource estimation at this time and it is uncertain that those historic results will be converted into minerals resources.

All the reports and information above are available at the Ministry of Energy and Natural Resources of Turkey and is also available on SEDAR at www.sedar.com in the file of Red Crescent Resources.

Alan M. Clegg Pr. Eng PMP Pr.CPM FSAIMM, is responsible for the technical part of this press release and is the designated Qualified Person under the terms of National Instrument 43-101.

Alan M. Clegg was President & CEO of Red Crescent Minerals and was managing the exploration project and was a qualified person for Red Crescent. As such, he is responsible for the data verification, including sampling, analytical and test data underlying the information contained in this press release. The data and information from Falconbridge reports has not been fully verified but Alan M. Clegg was able to verify the geophysical surveying data and rock chip sampling under custody at the Minister of Energy and Natural Resources of Turkey.

The drill and sampling of Red Crescent were assayed as following: Gold and copper assays were performed by the ALS Chemex laboratory in Izmir, Turkey. Sample preparation and gold analysis using conventional fire assay procedures with AAS finish on 50g aliquots was carried out (method code Au-AA24). Copper analysis was carried out by aqua regia digest with AAS finish (method code Cu-AA46). In addition, gold and multi-element analyses are currently being performed by ISO17025 accredited ALS Chemex laboratory in Vancouver, Canada.

Quality Assurance/Quality Control (QA/QC) for the Sivas Copper Project includes a chain of custody protocol, and systematic submittal of approximately 20% QA/QC samples including field duplicates, field blanks and certified reference samples into the sample stream submitted to the laboratory.

About Turkey

Turkey is considered as one of the most prospective and mining friendly country. Their recent amendments to the mining legislation and Investment incentive scheme provide value added taxes exemptions, custom duty exemptions, reduced royalty for strategic metals employee income tax relief and 80% tax reduction rate for certain projects depending on their geographical position within the country. Large companies such as Eldorado Gold, Teck Resources, Inmet Mining, and First Quantum Minerals are operating in Turkey currently.

London Listing

Deep-South will seek a listing on the Alternative Investment Market (AIM) or a standard listing on the London Stock Exchange with the goal to complete the listing within the next 12 months. The Company is currently in discussions with Advisors and Brokers and more information will be communicated to our shareholders in due course.

Private Placement

The Company will proceed with a non-brokered private placement for gross proceeds of up to \$2 million ("the Offering").

The non-brokered private placement will comprise up to 8,333,333 units (the "Units") of Deep-South, at a subscription price of \$0.24 per Unit. Each Unit will consist of one (1) common share and one half (1/2) of one common share purchase warrant ("Warrant") of Deep-South. Each full Warrant will entitle the holder thereof to purchase one (1) Deep-South common share at an exercise price of \$0.32 during a period of thirty-six (36) months from the date of closing of the placement. Each security issued pursuant to the placement has a mandatory four (4) months holding period from the date of closing of the placement.

The private placement is subject to the approval of the TSX Venture Exchange.

About the INAL project acquisition in Mauritania

The acquisition is still pending a Ministerial decree in order to proceed with closing of the

transaction. Due to recent actions taken by the Government of Mauritania whereby they have withdrawn some licenses on which mining companies had made large development expenditures and this without clear explanation, Deep-South has decided to not close the acquisition of the INAL project and focus on its other projects in Namibia, Turkey and Liberia.

About Deep-South Resources Inc.

[Deep-South Resources Inc.](#) is a mineral exploration company largely held by Namibian shareholders and [Teck Resources Ltd.](#), which holds about 35% of Deep-South share capital. Deep-South is actively involved in the acquisition, exploration and development of major mineral properties. Deep-South currently holds 100% of the Haib Copper project in Namibia, one of the largest copper porphyry in Africa. Deep-South growth strategy is to focus on the exploration and development of quality assets, in significant mineralized trends, close to infrastructure, in stable countries.

More information is available by contacting Pierre Leveille, President & CEO at

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Cautionary statement on forward-looking information

Certain statements in this release constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws.

Such statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict"

and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements reflect the company's current expectations regarding future events, performance and results and speak only as of the date of this release.

All such forward-looking information and statements are based on certain assumptions and analyses made by Deep-South's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; social or labour unrest; changes in commodity prices, including the price of copper; unexpected failure or inadequacy of infrastructure, or delays in the development of infrastructure, the failure of exploration programs or other studies to deliver anticipated results or results that would justify and support continued studies, development or operations, and the results of economic studies and evaluations. Other important factors that could cause actual results to differ from these forward-looking statements also include those described under the heading "Risk Factors" in the company's most recently filed MD&A filed by Deep-South. Readers are cautioned not to place undue reliance on forward-looking information or statements. The factors and assumptions used to develop the forward-looking information and statements, and the risks that could cause the actual results to differ materially are set forth in the "Risk Factors" section and elsewhere in the company's most recent Management's Discussion and Analysis report and Annual Information Form, available at www.sedar.com.

This news release also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in copper prices or other mineral prices; (ii) results of drilling; (iii) results of metallurgical

testing and other studies; (iv) changes to proposed mining operations, including dilution; (v) the evaluation of mine plans subsequent to the date of any estimates; and (vi) the possible failure to receive required permits, approvals and licences, or changes to any such permits, approvals or licence.

Although the forward-looking statements contained in this news release are based upon what management of the company believes are reasonable assumptions, the company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release.

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<https://www.goldseiten.de/artikel/380115--Deep-South-Resources-to-Acquire-75Prozent-of-the-Kapili-Tepe-Copper-Nickel-Cobalt-and-Gold-Project-in-Turkey>

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