



**Orogen Gold PLC** - ORE Nevada Gold-Silver Deal Signed  
Released 14:00 21-Apr-2016



RNS Number : 9543V  
Orogen Gold PLC  
21 April 2016

**Orogen Gold Plc**  
**("Orogen Gold", "Orogen" or "the Company")**

**Highly prospective gold-silver property optioned in Nevada, USA**

Orogen is pleased to announce that it has executed a binding and exclusive term sheet ("Exclusive Agreement") with Galileo Resources plc, ("Galileo"), pursuant to which Orogen will have the right to earn-in to a 51% interest in Galileo's Silverton Gold-Silver property ("Silverton" or the "Property") in Nevada, USA by way of exploration expenditure of US\$400,000 (the "First Expenditure") within 18 months and thereafter the possibility to spend an additional US\$1,500,000 (the "Second Expenditure") within 30 months to earn-in a further 24% interest, in total 75%, in the Property (the "Farm-out").

Galileo will have the right to participate pro rata after the First Expenditure; should it exercise this right it would retain a 49% equity interest in Silverton (as opposed to being diluted down to 25%). The Exclusive Agreement is subject to due diligence, which is anticipated to be completed, within 45 days of signing, including formalisation of the Exclusive Agreement.

**Highlights**

- Galileo has granted Orogen the right to earn an initial 51% interest in the Silverton project over the 6km<sup>2</sup> claim area through exploration spend of US\$400,000 over 18 months
- Orogen may earn an additional 24% interest in the project through a further exploration spend of US\$1.5 million over a subsequent 30 month period

- **Previous bedrock and drill sampling outlined an area >0.5g/t Au measuring 1km x 0.5km**
- **Assay intervals reported by Newcrest (2003) up to 7.62m@ 2.29g/t Au and 10.67m @ 1.0g/t, including 1.52m @ 5.01g/t Au (non-Code compliant)**
- **Historic silver and gold production from district**
- **Shear Zone target never drill tested for gold-silver mineralisation; adjacent short holes returned assays up to 1.71g/t Au, 604g/t Ag over 1.52m intervals within wider intervals of lower grades**

Adam Reynolds Chairman said: *"I am pleased that Orogen has been able to secure this position in Nevada which has a history of prolific gold production. Nevada represents a mining friendly and transparent jurisdiction for investment of shareholder funds. Our technical opinion of this property suggests the potential for a project which can be quickly understood and if appropriate brought into production. We have sufficient funds in place to commence work on the project and we believe that our presence in the region will bring opportunities which could not be identified remotely. To this end we will work to identify and participate in other Nevada gold mining ventures. This project complements our Mutsk property in Armenia and provides investors with a balanced gold/exploration portfolio."*

### **The Property**

The Property is located northeast of Tonopah in the central Pancake Range. The Silverton claim block comprises 72 lode claims staked by Newcrest in March 2002.

Small-scale mining operated in the area from 1930 to 1937 and in 1953. Total production for the district is <100,000 oz. silver, <2,000 oz. gold and <1 ton of antimony. Over the last three decades multiple companies including Olympic Mining, Westgold, Newmont and Pittston have explored the property for gold and silver. Work completed comprised geochemical sampling, fluid inclusion studies, mapping, geophysics and drilling (~45 pre-Newcrest holes).

Since 2002 Newcrest has taken over 1,000 rock chip samples and drilled 42,983 ft in 29 RC (reverse circulation) drill holes.

### **Geology/Mineralization**

The Silverton district occurs at the eastern margin of a caldera complex dated at 34Ma. Both high and low angle faults and fault breccias related to caldera rim tectonics are observed on the property. Rocks consist of Palaeozoic dolomite/limestone detachment blocks surrounded and underlain by Tertiary rhyolite tuffs. Rhyolite dikes have also been mapped along caldera ring fractures and north trending faults.

Tuffs around the Palaeozoic rocks are locally bleached and argillized (kaolinite - clay). Both units are silicified along faults, generally as jasperoid bodies up to 30 ft. wide. Jasperoid also forms flat-lying replacement horizons within volcanic beds. Additional silicification includes stockwork silica veining and chalcedony +/- stibnite-pyrite veins. One to two percent disseminated pyrite and minor stibnite occurs in tuffaceous rocks over a 4mi<sup>2</sup> area. Other mineralization includes barite, gypsum, and alunite. Ore-grade gold values are generally associated with veins, strongly veined limestone, and argillized tuff along mineralized structures and adjacent to jasperoid. Most jasperoid bodies themselves contain only low-level gold.

**The property contains a >100ppb Au rock chip anomaly measuring 2.5km x 3km. Au, Ag, As, and Hg mineralization are broadly coincident. Within the anomaly, the most significant of three main zones is a NNE trending area (Silverton Shear) >0.5g/t Au measuring 1km x 0.5km and centred on a 100m wide silicified contact between rhyolite to the east and carbonate rocks to the west.**

**Old vertical drilling on the southern end of the Silverton Shear returned several intervals of 5ft @ 1-5g/t Au and 100-600g/t Ag. The best Newcrest intercept is 25**

**feet @ 2.3g/t Au in rhyolite tuff.**

### **Geophysics**

Resistivity and ground magnetic surveys were completed in 1998 and 1999. Regional aeromagnetics also covered the Property.

### **Metallurgy**

No metallurgical testing has been done on rocks from the Silverton district and potential recoveries are unknown. However, gold occurrence could be fine grained, micron sized, as none is observed in pan concentrates.

### **Exploration Potential**

The geologic environment is similar to disseminated and bonanza epithermal gold mineralisation at the Round Mountain mine Nevada. The Silverton property and area of volcanic rocks to the west are prospective for exposed and concealed oxide and sulphide tuff- and intrusion -hosted disseminated and associated and/or carbonate-hosted bonanza style epithermal gold mineralisation. In the relatively untested area along the 1 km Silverton shear zone, with a 0.1-1.5g/t Au anomaly at surface, the potential exists for bonanza gold silver 'feeder' veins. In addition, low-grade bulk tonnage disseminated gold can also occur in the rhyolite porphyry intrusions, similar to e.g. Kori Kollo in Bolivia

### **Operating in Nevada**

Nevada is considered one of the best places in the world to explore and develop a gold deposit:

- One of the best gold-endowed regions in the world
- In 2014, Nevada produced almost 5Moz gold, representing 73% of all US production
- Several of the world's major gold miners operate there, including Newmont Mining, Goldcorp and Barrick Gold
- Low sovereign risk
- Good infrastructure and access
- State administration supportive of mining
- Well established exploration/mining/environmental permitting system
- Considerable exploration and mining expertise and ready access to services

### **Related Party Transaction**

Given Colin Bird's position as CEO of both Galileo and Orogen and his shareholdings of 24.81% and 1.82% respectively, the Farm-Out is a related party transaction under the AIM Rules. Accordingly, the directors of Orogen (with the exception of Mr Bird), having liaised with the Company's Nominated Adviser, consider that the terms are fair and reasonable.

### **Technical Sign-Off**

Ed Slowey, Operations Director of Orogen, is a Competent Person as defined by various international instruments and takes responsibility for the release of this information.

Enquiries:

<b>Orogen Gold plc</b> Alan Mooney, Finance Director Ed Slowey, Operations Director	+353 1662 8395
<b>Cairn Financial Advisers LLP (Nominated Adviser)</b> Liam Murray	+44 (0) 20 7148 7900
<b>Beaufort Securities Limited (Broker)</b>	+44 (0) 20 7382 8300

Jon Belliss	
<b>Walbrook (Public Relations and Investor Relations)</b>	+44 (0) 20 7933 8780
Paul Cornelius / Gary Middleton	

### **About Orogen Gold**

Orogen Gold plc is a UK public company quoted on the London Stock Exchange AIM market (ticker: ORE). The Company is focused on mineral exploration and development and is currently operating a gold exploration project at Mutsk in Armenia. The Mutsk project was optioned by Orogen early in 2013 to follow-up reports of a new epithermal discovery within an established gold district. Exploration by Orogen has confirmed and extended the gold discovery through diamond drilling and the deposit remains open in several directions.

Orogen will be attending the UK Investor Show (Stand 11, Whittle Lounge) on 30 April 2016 at the Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE.

This information is provided by RNS  
The company news service from the London Stock Exchange

END

AGRLFLFLQZFXBBZ

CLOSE

---

**London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.**

---

©2014 London Stock Exchange plc. All rights reserved

Nevada Gold-Silver Deal Signed - RNS