

The two licenses (Savinac and Bacevica) are located in the southern portion of Timok, which is one of the most prolific metallogenic domains in the Tethyan Belt that extends from eastern Europe, through Turkey to Iran and Pakistan. Mundoro Capital has expanded its relationship with Vale by signing a binding memorandum of understanding (MoU) on two of its exploration licenses in Serbia, the copper-gold project generator company announced. In November 2019, Mundoro Capital granted Vale an earn-in option on four exploration licenses within the Timok Magmatic Complex. Under that deal, Vale can acquire a 75% interest in the projects for total exploration expenditures of \$45 million.

Timok hosts the recently discovered Cukaru-Peki deposit and several producing mines: the Bor copper porphyry underground mine and the Majdanpek and Veliki Krivelj copper-gold porphyry open-pit mines. These properties, together known as the Bor mine complex, are currently controlled by China's Zijin Mining Group.

Under the terms of the MOU, Vale can earn a 100% interest in the projects by spending \$2 million on exploration over two years. Should Vale extend the option period for an additional year, it will pay \$1 million during such extension year.

Mundoro will be the operator of the projects and receive an annual fee of \$200,000 during the option period.

Upon exercise of the option, Mundoro will retain a 2% NSR royalty on the projects, of which Vale will have an option to purchase up to 1% of the NSR royalty with payments tied to the gold price at that time. At the current gold price, the value of the 1% NSR is estimated at \$9.2 million.

Following exercise of the option, Vale must also make milestone payments to Mundoro totaling \$9 million upon completion of four major milestones, beginning with a resource estimate filing and ending with the attainment of a development permit.

Source: mining.com