

HD VTT Vendetta Mining firms option deal for Pegmont

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Vendetta Mining Corp (TSX-V:VTT)

Shares Issued 11,911,625

TD

Monday August 11 2014 - News Release

Mr. Michael Williams reports

VENDETTA MINING LTD AND PEGMONT MINES LIMITED EXECUTE DEFINITIVE AGREEMENT REGARDING THE PEGMONT PB-ZN-AG PROPERTY

Vendetta Mining Corp. and Pegmont Mines Ltd. (the vendor) have executed definitive agreements for the previously announced option deal on the Pegmont lead-zinc-silver deposit in Queensland, Australia.

The Pegmont lead-zinc-silver deposit is located 25 kilometres east of BHP Billiton's world-class Cannington silver-lead-zinc mine and 28 kilometres north of Chinova Resources' Osborne copper-gold mine. It is proximate to existing infrastructure that includes roads, railhead and natural gas for power generation. At the project, discovered in 1971, shallow drilling has defined historical resources that the company, in concert with AMC Consultants, has been working to bring into CIM (Canadian Institute of Mining, Metallurgy and Petroleum) and National Instrument 43-101 compliance. In addition, numerous untested targets defined by drilling, geophysical and geochemical methods remain to be explored.

Updates on the option and finance terms follow below.

Option terms (all dollar amounts are in Australian dollars)

The company has been granted an option to acquire 100 per cent of the Pegmont property, comprising three mining leases and two exploration tenements, by a combination of cash payments, exploration commitments and advanced royalty payments.

Cash option payments totalling \$3-million are as follows: \$250,000 within two days of approval of the TSX Venture Exchange of the transaction; \$250,000 on the 12-month anniversary; \$500,000 on the 24-month anniversary; \$750,000 on the 36-month anniversary; and finally \$1.25-million on the 48-month anniversary. In addition, the company has agreed to reimburse Pegmont for \$350,000 of exploration expenses incurred during the year. These expenditures will be applied to the overall expenditure requirements.

Exploration expenditures for the property comprise a minimum of \$800,000 per year or meeting minimum requirements by the State of Queensland (whichever is greater) by Aug. 10 of each year during the first three years of the option, for a minimum commitment of \$2.4-million. A minimum 17,000 metres of drilling must be completed within a 42-month period commencing the day of TSX-V approval of the transaction, with 2,000 metres of this total to be drilled by the end of the 2014.

In the event of Vendetta exercising the option, and as part of the final transfer of project titles, the company has also agreed to pay an advance royalty to the vendor of \$3-million. Vendetta will receive a royalty credit of the cash option payments and advanced royalty for a total of \$6-million, to be credited against future royalty payments.

The vendor will retain a royalty right on future concentrate production from the property of 1.25 per cent of net smelter return, subject to the credit of \$6-million in favour of the company. In the case where ore is sold rather than concentrate, a separate royalty formula allows for a royalty of \$1.05 per tonne of ore sold, indexed to lead prices, to be conveyed to the vendor, again subject to the \$6-million credit. Where ore that is sold contains silver at concentrations above 64 parts per million, an additional royalty amount is payable, starting at six cents per gram, indexed to the price of silver.

Update on finance terms (all dollar amounts are in Canadian dollars unless otherwise noted)

The company is pleased to announce an update on its previously disclosed non-brokered private placement (see news release dated Nov. 21, 2013).

The \$2.2-million financing comprises 26-cent units, with each unit consisting of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at a price of 35 cent for a period of three years.

Subject to the approval of the TSX-V, Vendetta expects to close the financing shortly and prior to receiving the necessary TSX-V approval of the Pegmont transaction. Subsequent to receiving TSX-V approval of the Pegmont transaction, the company will make the initial option payment and reimburse the vendor for the exploration expense incurred by the vendor during the negotiation period.

A finder's fee in favour of Adrian Ryan of Mt. Waverley, Victoria, Australia, is payable upon the successful conclusion of this transaction. The finder's fee is subject to TSX-V rules and limitation ranges, and will be paid in instalments at the time of each of the option payments to the vendor. The maximum finder's fee payable would amount to \$182,500 (Australian) should Vendetta complete its earn-in under the executed call option.

We seek Safe Harbor.

CO ivaus : Chinova Resources Ltd. | pegmnt : Pegmont Mines Limited | vdtmn : Vendetta Mining Corp | sdccg : Shanxi Donghui Coal Coking Group Co. Ltd.

IN i211 : Metal Ore Mining | i2113 : Lead Ore/Zinc Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

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