

[News Room](#)[Print Friendly](#)[Share](#)

Ecometals Limited

TSX VENTURE : [EML](#)FRANKFURT : [GDO](#)BERLIN : [GDO](#)

January 10, 2008 11:39 ET

Ecometals Signs Joint Venture Agreement In Brazil

New Agreement Seeks to Advance Iron & Manganese Projects

TORONTO, ONTARIO--(Marketwire - Jan. 10, 2008) - Ecometals Limited (TSX VENTURE:EML)(FRANKFURT:GDO)(BERLIN:GDO) ("the Company") is pleased to announce it has entered into a joint venture agreement with its Brazilian partner, Alto Tocantins Mineralcao Ltda (ATML) related to the Serra do Navio manganese property and the Matapi iron prospects.

The agreement establishes two new companies registered in Brazil that will hold the titles for the mineral concessions - one company for manganese assets, the other for iron assets. The agreement stipulates that exploration of the properties will be directed by Ecometals. Upon commencement of commercial production, the enterprise will be governed by a three person board of directors, of which Ecometals will have two representatives and Alto Tocantins will have one representative.

"We are very pleased to have established this joint venture for two great projects, in a world class mineral province," said Fran Scola, Chief Executive Officer of Ecometals. "What is so exciting about these projects is the ability to commence production in the near term in an area that already has excellent existing infrastructure."

Terms of the agreement concerning the two enterprises are described below.

Manganese Company

Ecometals owns 66% and ATML holds 34% of the Serra do Navio manganese property, which hosts a past-producing mine. ATML's ownership is free carried (ie. held without paying operating costs) until commercial production is achieved. Ecometals has the option to purchase from ATML an additional 14% interest in the manganese assets for US\$6 million for a period of 4.5 years from the commencement date of the agreement. Ecometals also has a second option with a 7.5 year term to purchase an additional 10% interest for US\$15 million.

The Serra do Navio property is situated 195 km northwest of Port Santana and is connected to the port by road and rail. During its 34 years of operation, Serra do Navio was one of the world's largest producing manganese mines. Operating continuously from 1963 to 1997, it produced in excess of 30 million tonnes of high-grade manganese ore.

There are three components to the Serra do Navio project:

- Stockpiled, previously mined manganese ore at Port Santana;
- Stockpiled, previously mined manganese ore at the mine site;
- In situ oxide and carbonate manganese ore that was not mined.

"The stockpiled, previously mined manganese ore at Port Santana is ready to ship," said Mr. Scola. All the previously mined ore at both locations is 100%-owned by Ecometals.

Ecometals has historical resource data for Serra do Navio that are not compliant with National Instrument 43-101. The Company intends to conduct new exploration studies during 2008, working toward a fully compliant resource estimate.

The estimated 2008 exploration budget for the Serra do Navio concession area is US\$2.9 million and consists of three components:

- Resource estimation for the stockpiled, previously mined ore at Port Santana and the mine area;
- Metallurgical test work on the stockpiled, previously mined ore;
- Drill testing of the F-12 primary manganese deposit.

Exploration activities will be managed by Metal Data SA consultants, who will coordinate the work undertaken by other contracting groups.

Iron Ore Company

Ecometals will pay US\$2 million to ATML for 60% ownership in 11 new mineral concessions, which have an area of 64,152 hectares (64.1 sq. km.). These concessions are new to Ecometals and are not part of the existing Matapi iron project. In addition, Ecometals and ATML have established that Ecometals owns 60% of the Matapi iron project, which is being transferred into a new company. The remaining 40% interest in the new company will be held by ATML, which is free carried to commercial production. Ecometals has a five-year option to purchase an additional 20% interest from ATML in the iron assets for US\$8 million. Ecometals has a second seven-year option to purchase an additional 10% interest for US\$15 million. Ecometals has agreed to pay ATML a production royalty of US\$0.25 per tonne of iron ore FOB.

The Matapi iron project is situated approximately 90 km north-northwest of Port Santana, in the northern portion of Ecometals' concession areas, totalling 94,514 hectares (94.5 sq. km.). The Matapi project area is located six km west of the railroad line and most of the Company's iron concessions can be accessed by road. The iron potential of Amapa State has only been recently recognized. Several iron deposits are in the same region as the Matapi iron project, including the MMX Amapa mine, Solida mine and Vila Nova deposits. The MMX Amapa and Vila Nova deposits and the Matapi iron project are all sedimentary banded iron formation within the Archean age Vila Nova Formation.

Regional aeromagnetic data indicate the banded iron formation at Matapi has a combined strike length of six km. Virtually no exploration has been undertaken in the concession area, apart from 29 drill holes completed in a small area by Tocantins at the Matapi iron project.

Due to a lack of bedrock exposure, regional aeromagnetic data have been very useful in defining the overall distribution and structural controls for the iron mineralization. A number of priority magnetic targets have identified in the Company's concession area and will be explored in detail in 2008.

The estimated 2008 exploration budget for the Matapi concession area is US\$2.2 million. The program includes ground magnetic surveys, pitting and diamond drilling on the Matapi project and other priority anomalies. In addition to the field activities, the Company will engage Metal Data SA consultants to carry out economic modelling and metallurgical test work on the Matapi iron mineralization.

Qualified Person

Steven R. McMullan, PGeo, Vice President of Exploration for Ecometals Limited, is a Qualified Person as defined by National Instrument 43-101 and has supervised the preparation of the technical information and verified the data reported in this news release. Mr. McMullan has reviewed and approved this news release for public disclosure.

About Ecometals

Ecometals Limited is a Canadian-listed mineral exploration and development company focused on mineral resources in Latin America. Ecometals also holds 44.4% of Atomaer Holdings Pty Ltd., a private Australian holding company.

Cautionary Statement Regarding Forward-Looking Statements

Some of the statements contained in this release are forward-looking statements, such as statements that describe proposed exploration activities and expenditures at Serra do Navio and Matapi and the anticipated commencement of commercial production at Serra do Navio and Matapi. Since forward-looking statements are not statements of historical fact and address future events, conditions and expectations, forward-looking statements by their nature inherently involve unknown risks, uncertainties, assumptions and other factors well beyond Ecometal's ability to control or predict. Actual results and developments may differ materially from those contemplated by such forward-looking statements. Material factors that could cause actual results to differ materially from those contained in such forwarding-looking statements include, among other things, fluctuations in manganese and iron prices; procurement of required capital equipment and operating parts and supplies; equipment failure; unexpected geological or hydrological conditions; inability to enforce legal rights; defects in title; success of future exploration and development initiatives; competition; operating performance of the facilities; environmental and safety risks including increased regulatory burdens; weather and other natural phenomena; the speculative nature of exploration and development, including the risks of obtaining necessary permits and approvals from government authorities; operating hazards, and availability of labor, materials and equipment; changes in governmental laws, regulations, economic conditions; changes in national and local government legislation, taxation, controls, regulations, policies and political or economic developments. These forward-looking statements should not be relied upon as representing Ecometals' views as of any date subsequent to the date of this release. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on any forward-looking statements.

A map showing concessions of Ecometals and other mining companies in Brazil can be viewed in a pdf version of this news release posted to the Ecometals website.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

CONTACT INFORMATION

Ecometals Limited

Mark Kesselman
Chief Financial Officer
Email: info@ecometalslimited.com
Website: www.ecometalslimited.com
or
Barnes McInerney Inc.
Colin Languedoc
Senior Consultant
(416) 367-5000
(416) 367-5390 (FAX)
Email: clanguedoc@barnesmcinerney.com



News Room

VIEW RELATED NEWS

- About this company.....[Ecometals Limited](#)
- From this industry.....[Manufacturing and Production](#)
- From this sub-industry.....[Mining and Metals](#)

[See all RSS Newsfeeds](#)

About Marketwired

[Executive Team](#)
[Marketwired News](#)
[Careers](#)
[Community Builders](#)
[Privacy](#)
[Site Map](#)
[Accessibility](#)

Products

[Marketwired Resonate](#)
[Marketwired Influencers](#)
[News Distribution](#)
[IR/PR Newsroom \(Impress\)](#)
[Media Database \(Mediahub\)](#)

Resources

[Brochures](#)
[Case Studies](#)
[E-Books / Tip Sheets](#)
[Webinars / Videos](#)
[Testimonials](#)

Newsroom

[All News](#)
[Headlines Only](#)
[Advanced Search](#)
[RSS Newsfeeds](#)
[Hot Off the Wire](#)
[Personal Beat](#)
[CASL Compliance](#)

Connect With Us



Copyright ©2016 Marketwired L.P. All rights reserved. [Legal](#)