

## Defaults Arising From Delay of Decision in Costa Rican Court Proceedings

Feb 12, 2010, 17:00 ET from [Infinite Gold Ltd.](#)



Trading Symbol: TSX-V: IG

CALGARY, Feb. 12 /PRNewswire-FirstCall/ - Infinite Gold Ltd. ("Infinite Gold" or the "Company") is pleased to announce that an option agreement with a private individual has been signed for further exploration of the Zungano concession located in Nueva Segovia, Nicaragua. The area in the concession that is of immediate interest is near the Chachagua River about 25 kilometres north-east of the town of Quilali. Part of the concession is located as close as 10 kilometres from the historic San Albino gold mine and there is small scale artisanal gold mining reported in the area.

The Company has agreed to make expenditures totalling US\$ 4.92 million over 51 months including exploration work, social programs, and payments to the current concession holder. If these obligations are fulfilled the concession will be totally controlled by the Company and the current owner will retain a residual royalty on gold sales of 1.5 percent to a maximum total of US\$ 10 million.

The concession is approximately 25,000 hectares in size and the current land use in the area is basic farming on the steep slopes of the hills which are cut by local drainages including the Chachagua River. There is four wheel drive vehicle access through the property from Quilali consisting of a road to the original exploration camp near the Chachagua River. The Company has the option to suspend activity at any time, if results or conditions warrant, with no further obligations.

The geology of the area near the Chachagua River is made up predominately of schist with the two predominant lithologies being an altered schist and a graphitic schist. The altered schists have in the foliation numerous quartz intrusions which is thought to be the source of mineralization. The graphitic schists have a high proportion of muscovite and show serpentinization of the rock matrix. In the schist there are local andesitic dikes with a near vertical dip.

The property near the Chachagua River was drilled in 1962 by a company called Rio Coco Mining Co. and a report written by the Geological Division of the Nicaragua Government's Ministerio De Economia, Industria y Comercio (the "Ministry") describes the local geology and the results of the small diamond drill program consisting of five drill holes and is dated September, 1963. The drill holes were reported to be located near the Chachagua River at the base of Cerro Chachagua where mineralization is evident in rock exposed by river erosion that shows evidence of a significant stockwork structure. Mineralization in the area is predominantly pyrite, pyrrhotite, and chalcopyrite. Gold mineralization appears correlated to areas where these minerals are concentrated.

The drilling program was limited and consisted of five vertical drill holes for a total of 365 meters. The report from the Ministry shows gold and silver values in all of the holes with the best drill hole, number 2, showing values from 174 metres to 296 metres down hole averaging 0.31 ounces of gold per short ton over 12.2 metres and 3.23 ounces of silver per short ton over the same interval. This converts to averages gold grades of 106 grams per metric tonne and silver grades of 110.7 grams per metric tonne. Hole number 3, reported to be 20 metres distant from Hole 2, contained 2.4 grams of gold per metric tonne over 11.6 metres and 32.2 grams of silver per metric tonne over the same interval.

The Company cautions that the information contained in the 1963 Ministry Report can not be verified and no drill logs or core is available for confirmation of reported assays and these results are of historic interest but should not be relied on.

In addition, the Company wishes to announce that it has received waivers of events of default under the outstanding \$50,500,000 Secured Convertible Notes (the "Notes") of the Company held by Exploram Enterprises Ltd. ("Exploram") and Auro Investments Ltd. ("Auro", and together with Exploram, the "Noteholders"). This represents the seventh time since June 30, 2009 the Noteholders have waived events of default relating to the delay in receipt of a decision by the SALA IV.

As disclosed in news releases dated September 30, 2009 and October 30, 2009, the Notes originally provided that it would be an Event of Default if the SALA IV proceedings had not been resolved favourably by June 30, 2009 and if the first drawdown under a project debt financing facility did not occur by September 30, 2009 and the first interest payment due under the

Notes was payable on September 30, 2009. None of these deadlines were met and each of these defaults has now been waived until March 31, 2010. In addition, Infinito's obligation to pay certain structuring fees has been deferred, and the defaults associated with such non-payment have been waived, until March 31, 2010.

Caution Regarding Forward-Looking Information and Statements

Certain statements in this press release address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. These factors include, among others, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, the possibility that all necessary governmental and regulatory approvals will not be received, and the availability of a qualified workforce and third party contractors necessary for the development and operation of a mine. The Company undertakes no obligation to update these forward-looking information or statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking information or statements.

INFINITO GOLD LTD.

John Morgan  
President

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

SOURCE Infinito Gold Ltd.

Journalists and Bloggers

The news you need, when you need it.



Join [PR Newswire for Journalists](#) to access all of the free services designed to make your job easier.

In need of subject matter experts for your story? [Submit a free ProfNet request](#) and find the sources you need.

[LEARN MORE](#)



Contact

Solutions

About

My Services

888-776-0942  
from 8 AM - 10 PM ET

