

Apollo Consolidated royalty traded



[Apollo Consolidated \(ASX: AOP\)](#)

Trident Royalties Plc, has announced that its subsidiary, TRR Services Australia Pty Ltd, has entered into a binding agreement with a privately held Australian company to acquire an existing gold royalty which hosts the entirety of the Lake Rebecca Gold Project, owned and operated by Apollo Consolidated.

The Royalty is being acquired for a total consideration of AUS\$8 million.



[Apollo Consolidated \(ASX: AOP\)](#)

Trident Royalties Plc, has announced that its subsidiary, TRR Services Australia Pty Ltd, has entered into a binding

agreement with a privately held Australian company to acquire an existing gold royalty which hosts the entirety of the Lake Rebecca Gold Project, owned and operated by Apollo Consolidated.

The Royalty is being acquired for a total consideration of AUS\$8 million.

Trident Royalties Plc, a growth-focused mining royalty and streaming company, has announced that its wholly owned subsidiary, TRR Services Australia Pty Ltd, has entered into a binding agreement with a privately held Australian company (the seller), to acquire an existing gold royalty over tenement E28/1610, which hosts the entirety of the million ounce Lake Rebecca Gold Project, currently owned and operated by ASX-listed Apollo Consolidated in Western Australia.

The Royalty is being acquired for a total consideration of AUS\$8 million (approximately US\$5 633 520) (the transaction), comprised of AUS\$7 million in cash and AUS\$1 million in new ordinary shares in Trident. Completion of the transaction is conditional on approval by Australia's Foreign Investment Review Board by 23 December 2020, or such later date as the parties may agree (completion).

If completion does not occur by this date, then the transaction will not proceed.

Highlights

A compelling gold project rapidly progressing towards development Lake Rebecca is a high-quality resource stage asset which shows potential for fast-track development within a world-class mining jurisdiction.

Apollo is well funded to progress development with AUS\$21.5 million cash (as of 8 July 2020), following a recent successful fundraise and divestment of a non-core asset.1.5% net smelter royalty over exploration licence E28/1610 which is currently pending conversion to a mining licence (M 28/400, application date 2 December 2019).

The royalty covers the entirety of the Cleo, Duke, Duchess and Rebecca deposits, collectively referred to as the Lake Rebecca Gold Project. Apollo is aggressively pursuing the development of Lake Rebecca following the publication of a conservative opencast shell constrained 1.035 million oz JORC (2012) compliant maiden mineral resource estimate (MRE) in February 2020 (indicated and inferred resource of 27.1 million t at 1.2 g/t Au, with 0.5 g/t Au cut-off and AUS\$2250/oz gold price).

Significant resource upgrade and expansion potential demonstrated by drill intersections subsequent to the MRE with mineralisation shown to be open at depth and along strike of the current modelled pit-shell. A robust asset with proven geology in a prolific gold district Project located within the Eastern Goldfields Province of the Yilgarn Craton in Western Australia, upon the highly prospective Laverton tectonic zone (LTZ). Notable mines positioned upon the LTZ include the AngloGold Ashanti Sunrise Dam project (>4 million oz Au); Gold Fields Ltd Granny Smith/Wallaby mines (>8 million oz Au) and a number of the Saracen Minerals Carosue Dam Operations (CDO) deposits (>4.6 million oz). Strategically located within 150 km of Kalgoorlie, one of the most prolific gold mining centres in the world, with 47 active gold mines or advanced stage gold projects located within a 160 km radius of Lake Rebecca (accounting for a total 63.15 million oz Au reported 2020).

A transformative acquisition providing long-life precious metals exposure to Trident with significant upside potential Apollo is currently actively drilling the Lake Rebecca Gold Project. Highly encouraging post MRE and 2020 drill intersects include:At Rebecca deposit, infill drilling on Jennifer structure: 40 m at 5.06 g/t Au, 19 m at 5.90 g/t Au, 12 m at 6.73 g/t Au and 51 m at 2.90 g/t Au.Below current Rebecca Mineral Resource, 22 m at 3.44 g/t Au 100 m down-dip of the nearest intercept and 4.73 m at 19.10 g/t Au 200 m down dip of the nearest intercept.New discovery at Cleo 1 km west of Rebecca including 38 m at 2.00 g/t Au from 65 m.Trident internal estimates indicate a long-life, substantial gold operation – providing a key cornerstone asset to underpin the precious metals' allocation in the company's portfolio.

Nick Castleden, the MD of Apollo, recently stated that *“construction expected to commence in 18 – 24 months”*.Trident expects the development of Lake Rebecca to benefit from its proximity to existing gold infrastructure, including Saracen who are in the process of upgrading their CDO processing plant to a nameplate capacity of 3.2 million tpy from the current 2.4 million tpy, and Gold Fields underutilised Granny Smith plant of 3.5 million tpy capacity, currently operating on a 1.5 million tpy campaign milling basis.

Silverlake Resources 1.2 million tpy Randalls/Salt Creek Processing Facility (approximately 80 km from Rebecca), Northern Star's Kanowna Belle processing facility 2 million tpy (125 km from Rebecca).Adam Davidson, CEO and Executive Director of Trident, commented: “We are delighted to announce the acquisition of the royalty over Lake Rebecca which will provide our shareholders with precious metals exposure from a significant and growing asset in the world's top mining jurisdiction.

Existing, uncapped gold royalties over attractive, substantial gold projects being developed by credible operators are incredibly scarce globally, let alone in a jurisdiction such

as Australia which more traditionally utilises equity and debt markets for project finance. The transaction reinforces the benefits of Trident's global reach and network in sourcing attractive royalty opportunities. "The royalty will become a cornerstone asset for Trident and is anticipated to provide material and long-term revenue commencing in 2023 with significant upside to both scale and mine life.

At this early stage, Trident believes that Lake Rebecca is on track to support a circa 100 000 oz/yr operation, located in a desirable jurisdiction being supported by gold prices at close to all-time highs. Acquiring attractive development stage royalties with a clear pathway to production has been proven to deliver value to shareholders, with many major and mid-tier royalty companies built on acquisitions such as this."More broadly, we are pleased to announce our fifth transaction in less than 4 months of being listed on AIM. We're encouraged by the attractive opportunities available to Trident – lending credence to our strategy of identifying and acquiring royalties outside the scope of the currently listed royalty peers, which have a predominate focus on precious metals in North America. I see this acquisition as a major step forward in our progress toward becoming the pre-eminent, growth-focused diversified mining royalty and streaming company."



andrew@city-investors-circle.com

Disclosure: I am long AOP

The writer is not a Registered Investment Advisor or Financial Planner. This article is for informational purposes only. It does not constitute an offer to sell, a solicitation to buy, or a recommendation regarding any securities transaction.

The information contained in this writing should not be

construed as financial or investment advice on any subject matter.

All the information used in the preparation of articles on the Site has been compiled from publicly available sources that we believe to be reliable, however, we cannot, and do not, guarantee the accuracy or completeness of such information.

You should always consult an investment professional.