

Mining major Rio Tinto has agreed to a 75% earn-in and joint venture (JV) agreement with subsidiaries of TSX-V-listed explorer Reservoir Minerals, if it funds \$75-million in exploration expenditure on four exploration permits in the Timok Magmatic Complex of Serbia, known as the Tilva project. "Reservoir is pleased to be working with Rio Tinto in the Timok belt, in which Reservoir has demonstrated the excellent exploration potential for large-scale copper/gold deposits with the recent Cukaru Peki discovery. We look forward to building on Reservoir's experience and success in this belt with Rio Tinto," Reservoir president and CEO Simon Ingram commented. Under the terms of the agreement, Rio Tinto could choose to incur total project expenditure of \$7-million by November 30, 2019, to earn a 51% interest in the Tilva project. Should Rio Tinto spend \$10-million within the following three years, it would earn another 14% interest, lifting project ownership to 65%. Should it then decide to incur a further \$58-million to take the project to the prefeasibility stage within four years of the second earn-in milestone, it would earn a further 10% interest, for a total interest of 75%. Rio Tinto had also agreed to incur minimum project expenditure of \$3.1-million by November 30, 2017, including reimbursing costs up to a maximum of \$500 000 incurred by Reservoir to undertake a drill programme on the Tilva project that had started in September. The partners would form a management committee comprising two representatives each from Rio Tinto and Reservoir. Reservoir would be the initial manager of the Tilva project until Rio Tinto had exercised its right to assume the role of manager. The agreement was conditional upon Rio Tinto completing satisfactory due diligence within 60 days.

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