

Electric Royalties to Acquire 0.5% Gross Revenue Royalty on Kenbridge Nickel Project in Ontario, Canada

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VANCOUVER, March 6, 2023 - [Electric Royalties Ltd.](#) (TSXV:ELEC) (OTCQB:ELECF) ("Electric Royalties" or the "Company") is pleased to announce the signing of a binding letter agreement with Tartisan Nickel Corp. (CSE: TN) ("Tartisan") to acquire a 0.5% gross revenue royalty ("GRR") on certain mining claims, mining leases and mineral tenures comprising the wholly-owned Kenbridge Nickel Project in northwest Ontario, Canada (the "Kenbridge Project" or "Kenbridge") in exchange for C\$500,000 cash and 2,500,000 common shares of the Company (the "Transaction"). The Company will also have the right, for a period of 18 months after closing of the Transaction, to acquire a further 0.5% GRR on the Kenbridge Project for C\$1,750,000 cash consideration. In addition, the Company will have an option to acquire a 1% GRR on the mining claims, mining leases and mineral tenures comprising the Kenbridge North Nickel Project (the "Kenbridge North Project" or "Kenbridge North"), approximately 2.5 km north of the Kenbridge Nickel Deposit, for C\$1,000,000 cash, at any time during a period of 24 months from the date that Tartisan publishes an initial technical report in respect of the Kenbridge North Project which is prepared in accordance with National Instrument 43-101 and which contains an estimate of Inferred Mineral Resources.

The Transaction noted herein is subject to completion of due diligence, approval of the TSX Venture Exchange and other customary conditions.

Brendan Yurik, CEO of Electric Royalties commented, "We're excited to partner with Tartisan Nickel on advancing the Kenbridge nickel-copper-cobalt project in Ontario. The Kenbridge deposit has been well drilled since discovery and though never previously mined, has seen extensive underground development by previous owners. Tartisan has recently released a mineral resource estimate and preliminary economic assessment on Kenbridge which describes a project that could be a profitable underground development.

"We believe there is a lot of optionality and upside to Kenbridge as the exploration potential at depth is exciting. If the deposit's depth potential is realized, there could be a meaningful extension to the potential life-of-mine. Furthermore, the Kenbridge deposit could be positioned to quickly commence production once permitted, given its manageable initial capital cost of C\$133.7 million, existing infrastructure, and local mining workforce. As a modestly sized underground operation, Kenbridge would have a relatively small environmental footprint which could enable more timely permitting.

"There are very few nickel development projects like Kenbridge that could potentially be brought into production over the next three to five years, so we are thrilled to get exposure to two critical metals - nickel and copper - through this acquisition."

Kenbridge Project Highlights

- Located in a politically stable and mining-friendly region (New Gold's producing Rainy River gold mine is located approximately 80 km to the south), with access to an all-season road.
- The project has a 622-meter (m) three compartment shaft and has never been mined.
- Mineral Resource estimate¹ completed by P&E Mining Consultants Inc. at an NSR cut-off of C\$100/tonne includes:
 - Measured and Indicated Mineral Resources of 3.445 million tonnes at 0.97% nickel (Ni), 0.52% copper (Cu) and 0.013% cobalt (Co), containing 74 million pounds (Mlb) of Ni, 39.1 Mlb of Cu and 1.0 Mlb of Co.
 - Inferred Mineral Resources of 1.014 million tonnes at 1.47% Ni, 0.67% Cu and 0.011% Co, containing 32.7 Mlb of Ni, 14.9 Mlb of Cu and 0.2 Mlb of Co.

- Preliminary Economic Assessment² ("PEA") forecasts the following:
 - Nine-year mine plan based on a 1,500-tonne-per-day underground mining and processing operation. The mine plan mines the potentially extractable tonnage of Measured, Indicated and Inferred Mineral Resources which assumes overall dilution of 47% (18% internal dilution from stope designs plus 29% external dilution) and a 94% mine recovery factor.
 - Life-of-mine revenues from net smelter returns of C\$837 million.
 - Life-of-mine operating costs of C\$292 million.
 - After-tax net present value using a 5% discount rate of C\$109 million and after-tax internal rate of return of 20%.
- Tartisan is progressing environmental baseline studies as part of its permitting and mining approval process towards its plan to commence nickel-copper production in approximately three years³.
- Tartisan continues to develop positive relationships with the surrounding First Nations communities through its First Nations consulting partner Talon Resources and Community Development Inc.

The PEA is considered preliminary in nature, contains numerous assumptions and includes Inferred Mineral Resources that are considered too speculative, geologically, to have the economic considerations applied that would enable them to be classified as Mineral Reserves. There is no certainty that the results of the PEA (or any update thereto) will be realized. No Mineral Reserves have been estimated for Kenbridge. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Inferred Mineral Resources are that part of the Mineral Resource for which quantity and grade, or quality are estimated based on limited geologic evidence and sampling, which is sufficient to imply but not verify grade or quality continuity. Inferred Mineral Resources may not be converted to Mineral Reserves. It is reasonably expected, though not guaranteed, that most Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Kenbridge Project Overview

The Kenbridge Project is located in northwestern Ontario, approximately 70 km southeast of the city of Kenora, and 50 km east of the township of Sioux Narrows by highway. Access to the property is via 23 km of road from Sioux Narrows. The project is located in an area of historical and recent mine development, the most notable of which is New Gold's Rainy River gold mine (see Figure 1).

As of March 2, 2023, the Kenbridge Property is covered by patented and unpatented mining claims covering a total area of approximately 41 km².

Geology

The Kenbridge Deposit is an Archean-aged deposit hosted in gabbro and gabbro breccia. Mineralization (pyrrhotite, pentlandite, chalcopyrite ± pyrite) occurs within massive to net-textured and disseminated sulphide zones, primarily in gabbro breccia with smaller amounts in gabbro and talc schist. Nickel grades within the deposit are proportional to the total amount of sulphide, with rare massive sulphide zones exhibiting the highest grades. Mineralization undergoes rapid changes in thickness and grades. At least three sub-parallel mineralized zones were intersected in drilling and range in thickness from 2.6 to 17.1 m. Kenbridge is classified as a gabbro-related nickel sulphide deposit.

Figure 1: Location map of the Kenbridge Project. Source: Tartisan Nickel Corp.

Exploration

The deposit has been explored by a number of major and junior mining companies since 1936. There have been numerous drill programs and metallurgical programs and, in 1952, a 622-m shaft was installed and two levels developed at 107 m and 152 m below the surface (see Figure 2).

Since 1937, 667 surface and underground holes totalling 99,741 m have been completed on the property. These holes defined a zone with surface dimensions of approximately 250 m by 60 m extending approximately 900 m to depth.

Deep drilling suggests further potential of the deposit at depth although this portion of the deposit is not well

defined.

Besides the Kenbridge Deposit, there are several untested exploration targets on the property, such as the Kenbridge North target that has similar geophysical characteristics to the Kenbridge Deposit.

Mining and Processing

The PEA describes an underground development scenario and envisages a total of 4.52 million tonnes (Mt) of process plant feed over a nine-year mine life, with an average metal content of 0.81% Ni, 0.40% Cu and 0.01% Co. It is expected to operate at a daily rate of 1,500 tonnes per day, for a nominal production rate of approximately 528 thousand tonnes per annum.

The existing shaft extends to a depth of approximately 625 m from surface with 13 shaft stations cut approximately every 46 m. The plan would be to rehabilitate, expand, and refit the shaft with a new hoist and headframe to support mining in the upper areas above the shaft bottom, and later hoist material excavated from areas below the extent of the shaft.

Figure 2: Cross section showing mineralized zones, existing shaft and depth potential. Source: Tartisan Nickel Corp.

Mining areas from below the extent of the shaft will be accessed via a ramp from the lowest shaft station, with material being trucked to the bottom of the shaft for crushing and final hoisting to surface. This method of access was chosen to minimize lead time to mining and maximize scheduling flexibility, in addition to minimizing transportation costs of broken rock.

Xstrata Process Support test results on a bulk concentrate suggest that at feed grades in line with the current PEA mine plan, a 24% Cu concentrate at 89% Cu recovery and a 15% Ni concentrate at 80% Ni recovery could be anticipated.

A conventional crush-grind-float approach has been selected for beneficiation and processing at Kenbridge. Separate nickel and copper concentrates are expected to be produced at site and trucked to smelters in Sudbury (for nickel) and Rouyn (for copper). A portion of the tails would be thickened and used as backfill underground.

Socioeconomic, Environmental and Permitting

Consultation with First Nations has been ongoing since 2008. An exploration agreement with six local First Nations formalizes employment and business opportunities on the project.

Tartisan has retained Knight Piésold Consulting and Blue Heron Environmental to undertake environmental baseline studies in 2022 to support the various permitting and approvals processes for the project.

David Gaunt, P.Geo., a Qualified Person who is not independent of Electric Royalties, has reviewed and approved the technical information in this release.

¹ Technical report titled "Preliminary Economic Assessment of the Kenbridge Nickel Project, Kenora, Ontario" with an effective date of July 6, 2022, available under Tartisan Nickel Corp.'s profile on Sedar.com. The Mineral Resource Estimate is based on US\$ metal prices of \$8.25/lb Ni, \$4.00/lb Cu, \$26/lb Co. The US\$:CDN\$ exchange rate used was 0.76. The NSR estimate uses flotation recoveries of 75% for Ni, 77% for Cu, 40% for Co and smelter payables of 92% for Ni, 96% for Cu, 50% for Co. Mineral Resources were determined to be potentially extractable with the longhole mining method based on an underground mining cost of \$77/t mined, processing of \$19/t and G&A costs of \$4/t.

² Technical report titled "Preliminary Economic Assessment of the Kenbridge Nickel Project, Kenora, Ontario" with an effective date of July 6, 2022, available under Tartisan Nickel Corp.'s profile on Sedar.com. The PEA uses a 5% discount rate and metal prices of US\$10/lb Ni, US\$4/lb Cu, US\$26/lb Co, capital costs

(including contingency of C\$133.7M, total operating costs of C\$64.64/t, Cu recoveries of 89% and nickel recoveries of 80%).

³ Tartisan news release dated February 10, 2023.

About Electric Royalties Ltd.

Electric Royalties is a royalty company established to take advantage of the demand for a wide range of commodities (lithium, vanadium, manganese, tin, graphite, cobalt, nickel, zinc and copper) that will benefit from the drive toward electrification of a variety of consumer products: cars, rechargeable batteries, large scale energy storage, renewable energy generation and other applications.

Electric vehicle sales, battery production capacity and renewable energy generation are slated to increase significantly over the next several years and with it, the demand for these targeted commodities. This creates a unique opportunity to invest in and acquire royalties over the mines and projects that will supply the materials needed to fuel the electric revolution.

Electric Royalties has a growing portfolio of 21 royalties, including two royalties that currently generate revenue. The Company is focused predominantly on acquiring royalties on advanced stage and operating projects to build a diversified portfolio located in jurisdictions with low geopolitical risk, which offers investors exposure to the clean energy transition via the underlying commodities required to rebuild the global infrastructure over the next several decades towards a decarbonized global economy.

For further information, please contact:

Brendan Yurik
CEO, [Electric Royalties Ltd.](#)
Phone: (604) 364-73540
Email: Brendan.yurik@electricroyalties.com
www.electricroyalties.com

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Cautionary Statements Regarding Forward-Looking Information and Other Company Information

This news release includes forward-looking information and forward-looking statements (collectively, "forward-looking information") with respect to the Company within the meaning of Canadian securities laws. This news release includes information regarding other companies and projects owned by such other companies in which the Company holds a royalty interest, based on previously disclosed public information disclosed by those companies and the Company is not responsible for the accuracy of that information, and that all information provided herein is subject to this Cautionary Statement Regarding Forward-Looking Information and Other Company Information. Forward looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. This information represents predictions and actual events or results may differ materially. Forward-looking information may relate to the Company's future outlook and anticipated events and may include statements regarding the financial results, future financial position, expected growth of cash flows, business strategy, budgets, projected costs, projected capital expenditures, taxes, plans, objectives, industry trends and growth opportunities of the Company and the projects in which it holds royalty interests.

While management considers these assumptions to be reasonable, based on information available, they may prove to be incorrect. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or these projects to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; future legislative and regulatory developments involving the renewable energy industry; inability to

access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the mining industry generally, the Covid-19 pandemic, recent market volatility, income tax and regulatory matters; the ability of the Company or the owners of these projects to implement their business strategies including expansion plans; competition; currency and interest rate fluctuations, and the other risks.

The reader is referred to the Company's most recent filings on SEDAR as well as other information filed with the OTC Markets for a more complete discussion of all applicable risk factors and their potential effects, copies of which may be accessed through the Company's profile page at www.sedar.com and at otcmarkets.com.

Cautionary Note to US Investors Concerning Estimates of Mineral Resources

This news release includes estimates of the mineral resources on that property and uses the terms "Measured Resources", "Indicated Resources" and "Inferred Resources". The Company advises investors that these terms are recognized and required by Canadian regulations under National Instrument 43-101, Standards of Disclosure for Mineral Properties ("43-101"). The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure required for issuers whose securities are registered with the SEC under the U.S. Securities Exchange Act of 1934 ("The SEC Modernization Rules"). The SEC Modernization Rules include the adoption of definitions of the terms and categories of resources which are "substantially similar" to the corresponding terms under Canadian Regulations in 43-101. Accordingly, there is no assurance any mineral resources that we may report as Measured Resources, Indicated Resources and Inferred Resources under 43-101 would be the same had the resource estimates been prepared under the standards adopted under the SEC Modernization Rules. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into reserves. In addition, Inferred Resources have a great amount of uncertainty as to their economic and legal feasibility. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for a Preliminary Economic Assessment as defined under 43-101.

This news release describes the transaction whereby Electric Royalties may obtain a royalty interest on potential future production on a property with mineral resources from the property owner. Electric Royalties does not directly own this property or its mineral resources.

SOURCE: [Electric Royalties Ltd.](#)

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