

Millrock Reports Exploration Agreement on Goodpaster Gold Project, Alaska

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Highlights:

- Millrock has executed a Binding Term Sheet and granted an exclusive legal due diligence period to ASX-listed company Northern Cobalt Limited (“N27”) (soon to be renamed Great Northern Metals) concerning its district-scale Goodpaster Gold Project in eastern Alaska.
- Upon successful due diligence, the parties will enter an Option to Joint Venture agreement with pre-determined business terms.
- Initial Year 1 investment of US\$5,000,000 in exploration expenditures to earn 30%.
- Drilling preparations in anticipation of an early 2020 program to begin immediately.
- US\$20,000,000 in exploration expenditures to earn 60% in overall project – 660 square kilometers of mineral rights in Goodpaster Gold District surrounding the Pogo Gold Mine.
- Share payments totaling 38 million N27 shares with an anti-dilution right, and US\$200,000 in cash over the option period.
- N27 may elect one of nine claim blocks for advanced earn-in; free carry to Bankable Feasibility Study to earn 70%, loan carry to Commercial Production to earn an 80% interest in the selected block.
- 100-day legal due diligence period granted in return for US\$500,000 non-refundable exploration advance from Northern Cobalt Limited (“N27”).
- Advanced funds to be immediately deployed to prepare for a planned first quarter 2020 drill test of the West Pogo block located immediately adjacent to the Pogo Gold Mine operated by [Northern Star Resources Ltd.](#)
- Millrock to operate exploration during 2020 in collaboration with N27; 8% of expenditure as operator fee.
- District-scale exploration to advance other emerging targets mandated.

VANCOUVER, British Columbia, Oct. 17, 2019 -- Millrock Resources Inc. (TSX-V: MRO, OTCQB: MLRKF) ("Millrock" or the “Company”) announces that it has executed a Binding Term Sheet concerning its Goodpaster Gold District exploration project with Australian Stock Exchange-listed Northern Cobalt Limited (“N27”).

Millrock President & CEO commented: *“Upon completion of the due diligence period, Millrock will be very pleased to enter the contemplated agreement. Under the agreement terms, Millrock will become a significant shareholder of N27 giving great leverage if ore bodies are discovered. The planned US\$5,000,000 exploration program for 2020 will provide funds for a thorough test of the compelling drill target we have developed at the West Pogo Block of the project, which is immediately adjacent to the Pogo Gold Mine. N27 shares our view that the Goodpaster Gold District has the potential to become one of the world’s great gold mining camps. As well, over the next two years, at least US\$2,000,000 will be devoted to advancing other intriguing prospects we have developed.”*

Key Highlights of Binding Term Sheet

1. Exclusive Legal Due Diligence Period; 50 days, extendable to 100 days

Under the binding terms of the initial agreement, N27 has agreed to pay Millrock US\$250,000 within 10 days to secure a 50-day Exclusive Period (“Exclusive Period”) during which N27 may conduct legal due diligence and Millrock will refrain from considering alternate offers. A further payment of US\$250,000 (at N27’s election) will extend the Exclusive Period for a further 50 days, to 100 days in total. These funds are to be used by Millrock for the Goodpaster Project, as agreed upon by Millrock and N27, for preparing a drill access road, other exploration activities, and claim rentals. The entire advance payment will contribute to the exploration earn-in expenditure for Year 1, however it is non-refundable. If N27 elects not to enter the contemplated Option to Joint Venture agreement the advance payment will be forfeited.

2. Sole Funding Period

US\$20,000,000 exploration expenditures, cash payments, and share payments over four years to earn 60%

as laid out in the following table:

Stage	US\$ Expenditure	Details
Commence	5,000,000	Millrock
Drilling Target	3,600,000	Drilling (Diamond Core)
Year 1	\$600,000	
Year 2	\$800,000	
Year 3	\$500,000	
Year 4	\$700,000	
Totals	\$2,600,000	

N27 may, at its election and after being satisfied with due diligence under the Exclusive Period, enter into the Option to Joint Venture agreement (“Earn-in”). During the Earn-in, in which N27 can earn up to 60% of the project, N27 has agreed to sole fund the activities with the terms as set out in the table above. While N27 is Manager throughout the sole funding period of the project, Millrock's Alaska subsidiary Millrock Exploration Corp (“MEC”) will act as the Operator in Year 1 with an operator fee of 8% of exploration expenditures. Millrock may be re-appointed as exploration operator each year at N27's discretion. If MEC ceases to become Operator the annual cash fee payable will double. If N27 fails to reach the Stage 1, a 30% interest, no encumbrances will be recorded over the project by N27. If any party is diluted to less than a 10% equity ownership interest their interest will revert to a 1.0% Net Smelter Returns royalty. N27 may elect to form a Joint Venture (JV) at the completion of any stage and co-funding conditions will commence.

3. Right to earn up to 80% on one block

The project is defined into 9 blocks of ground as shown on Figure 1 and N27 can earn up to 80% ownership on one block, as per the terms in the table below:

Milestone	N27 \$ Commitment	% Earned	Details
BFS Study	Fully Funded	70% earn-in	US\$3 million payable to MRO on decision to mine
First Production	Loan Carry	80% earn-in	Profit share at an 80/20 split

At N27's election, after completing a 60% earn-in on the entire project, a JV will be formed over the entire project and N27 can then elect to form a specific JV on one block of interest.

N27 may earn up to 70% by sole funding a BFS study on this one block. The other eight blocks will remain in the original JV according to final interest achieved during the earn-in period and subsequent co-funded JV. Upon a positive BFS and N27's decision to mine, N27 must pay Millrock US\$3,000,000 cash or, subject to shareholder and ASX approval, an equivalent value in N27 shares.

Further, N27 may elect to loan carry Millrock to first production and thereby earn an 80% interest in the project. N27 may opt for a co-funded JV at any time after Stage 1 of the Earn-in has been completed.

4. Grace Period; six months

During the sole funding Earn-in period, N27 has the right to trigger a single “grace period”, allowing for a six-month extension to meet their required minimum expenditure for a particular earn-in stage.

5. Joint Venture (JV) co-funded period

Once a JV is formed, both parties are required to fund according to their percentage interest. A party may voluntarily elect to dilute using a standard industry formula using a 2X weighting on new funding. A penalty dilution of 3X will be imposed on a defaulting party in certain circumstances. Management is by committee with voting according to percentage interest. The party with the largest interest will hold the right to the Manager, in line with standard industry conditions.

6. Area of Interest (“AOI”)

The AOI is depicted on Figure 1. Under terms of the agreement all new properties acquired by N27 in the “AOI” shall be included in the terms of this agreement. N27 has agreed to fund at least

US\$2,000,000 of exploration expenditures outside of the West Pogo block during the first two years of the Option. After this period, any block not funded will revert to Millrock.

Qualified Person

The scientific and technical information disclosed within this document has been prepared, reviewed and approved by Gregory A. Beischer, President, CEO and a director of Millrock Resources. Mr. Beischer is a qualified person as defined in NI 43-101.

About Millrock Resources Inc.

Millrock Resources Inc. is a premier project generator to the mining industry. Millrock identifies, packages, and operates large-scale projects for joint venture, thereby exposing its shareholders to the benefits of mineral discovery without the usual financial risk taken on by most exploration companies. The company is recognized as the premier generative explorer in Alaska, holds royalty interests in British Columbia, Canada and Sonora State, Mexico and is a significant shareholder of junior explorer [ArcWest Exploration Inc.](#) Funding for drilling at Millrock's exploration projects is primarily provided by its joint venture partners. Business partners of Millrock have included some of the leading names in the mining industry: EMX Royalty, Centerra Gold, First Quantum, Teck, Kinross, Vale, Inmet, Altius, Riverside and PolarX.

ON BEHALF OF THE BOARD

“Gregory Beischer”
Gregory Beischer, President & CEO

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Some statements in this news release contain forward-looking information (within the meaning of Canadian securities legislation) including, without limitation, management's expectation that it will form an exploration agreement after the due diligence period, receive funding from N27, receive permits and be able to install a drill trail during 2019.. These statements 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. Such factors include, without limitation, Millrock's ability to raise funds needed to perform additional exploration on the claims staked and customary risks of the resource industry.

A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/9f85d9e8-2d7a-40a4-9a9d-ffbacc19f75f>

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