

# Silver Spruce Executes Definitive Agreement for Melchett Lake VMS-Au Project

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BEDFORD, November 26, 2019 - Silver Spruce Resources Inc. ("Silver Spruce" or the "Company") (TSXV:SSE)(Frankfurt:S6Q1) is pleased to announce the completion of its due diligence and the signing of the Definitive Option and Purchase Agreement ("DA") on the Melchett Lake Zn-Au-Ag volcanogenic massive sulphide ("VMS") project, an advanced precious and base metal project in the Thunder Bay Mining District, northern Ontario, Canada ("Project" or "Property").

"We are very pleased to complete the Definitive Agreement to acquire 100% interest in the promising Melchett Lake VMS property," stated Greg Davison, Director of Silver Spruce. "We continue to update the multi-element data received this week from the recent due diligence sampling, while building our GIS database with revised drill hole co-ordinates, and geophysical and geological information focusing on the next phase of the ground truthing program and developing priority drill targets".

## Letter of Intent

[Silver Spruce Resources Inc.](#) signed a binding Letter of Intent ("LOI") on September 9, 2019 to acquire 100% of the Property. Silver Spruce had a 90-day window to December 6, 2019 to carry out its due diligence and execute a DA.

## Definitive Agreement

The principal terms of the DA, as per the LOI, to purchase 100% interest in the Property include CAD\$150,000 in cash payments and five million Silver Spruce common shares, spread over three years. The initial payment to the Vendor of CAD\$25,000 and 500,000 shares is due upon signing and TSX Exchange approval.

Minimum work expenditures total CAD\$1,000,000, with CAD\$100,000 during the first year, CAD\$200,000 in the second year and CAD\$700,000 prior to the third anniversary, with all periods based from TSX Exchange approval of the DA. The Vendor will retain a two percent Net Smelter Return royalty of which 1% can be purchased by the Company for CAD\$1,000,000 and the remaining 1% at market price.

## Due Diligence

The recent project work was performed to verify the multi-kilometre strike length of the known areas of mineralization, broad intervals of mineralization, intense alteration profile similar to well-known polymetallic deposits, and presence of high-grade values of both precious metals and base metals reported from the historical exploration. The team examined the principal showings and trenches, and drill core at the Relf and Nakina targets along the principal mineralized trend. A total of seventy-two (72) rock and core samples were collected, sixty (60) of which were submitted for multi-element geochemical analysis. Results of all samples are now in receipt and pending interpretation.

## Geology and Mineralization

The Property, located within Melchett Lake greenstone belt of the English River Sub-province of the Archean-age Superior Province, is underlain by a bimodal mafic-felsic sequence of pyroclastics, tuffs and flows with cherts and Fe-lean to Fe-rich iron formation. The Melchett Lake belt contains several occurrences of polymetallic Zn- Pb-Cu-Ag-Au VMS mineralization similar to ore deposits exploited at Matabi, Winston Lake, Geco, Brunswick and Rouyn-Noranda. Base metal mineralization consisting of pyrite, sphalerite,

chalcopyrite and galena occurs within the intermediate to felsic metavolcanic sequences of the Property. There are locally high-grade lenses of Zn & Ag with variable Cu, Au and Pb, and historical gold grades to 28.8 g/t Au, silver grades to 560 g/t Ag and zinc grades to 19.1%.

Highlights of the prospective geology, alteration and mineralization include multiple folded or stacked horizons of coincident alteration and metal mineralization, high Zn/Cu, Zn/Pb and Ag/Au ratios, extensive remobilization of major and trace elements with defined enrichment (Fe, Mg, Co, Cr, Cd) and depletion (Na, Sr, Ca) zones, and continuity, increased alteration and anomalous metal values over large intervals with a strong electromagnetic off-hole response. The mineralization is interpreted to occur as paleo-topographic accumulations related to fumarolic activity forming polymetallic deposits overprinted by a later stage gold-rich event.

Silver Spruce (press release of Nov. 12, 2019) reported precious and base metal assay data from the first batch of thirteen (13) rock samples collected from the Nakina and Relf Zones. Zinc values range up to 14.7%, lead to 0.96%, copper to 0.52%, silver to 301 g/t, and gold to 0.737 g/t and clearly represent the polymetallic nature of the mineralization from both targets, particularly the Relf Zone. The samples exhibit low alkali content, favourable pathfinder ratios, e.g., Zn/Na, and elevated values of heavy metals, including Te, Bi, Se, Sb, Hg, Cd and In, associated with sphalerite, galena, chalcopyrite and pyrite observed in the rock samples.

For comparison with the current due diligence samples at the Nakina I Zone, historical sampling reported, in separate samples, 14.85% Zn and 28.8g/t Au from a pyritized felsic metavolcanic. Rock sampling of a pyritized felsic metavolcanic in the Nakina 2 Zone returned a value of 15.08g/t Au. Selected grab samples taken from the Relf Zone averaged 13.0% zinc (Zn), 1.2% lead (Pb), 0.26% copper (Cu) and 325g/t silver (Ag); best results received were 19.1% Zn, 2.2% Pb, 0.40% Cu, 565g/t Ag and 1.72g/t gold (Au). Gold mineralization in the Iron Lake area occurred within a sericite-silica altered felsic metavolcanic containing pyrite with chalcopyrite and sphalerite. Grab samples reported 7.7g/t Au, 13.05g/t Au and 13.48g/t Au. All of the metal values reported by past operators in the Melchett Lake area, were sourced from grab samples which may not be representative of the metal grades, and are historical in nature.

Maps and site photographs of the core and trenching areas are available on the Silver Spruce website at Melchett Maps and Melchett Photos, and the geological and GIS compilations will be reported and posted on the Company website in due course.

#### Qualified Person

Greg Davison, MSc, PGeo and Silver Spruce Director, is the Company's internal Qualified Person (QP) for the Melchett Lake Project and is responsible for the technical content of this press release within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), under TSX guidelines. Mr. Davison explored the Melchett Lake area as Project manager and VP Exploration for Kerr Addison Mines (1983-84) and Tribute Minerals (1999-2002), respectively, and has a referral fee arrangement with the Vendor. Consulting geologist Luc LePage, MSc, PGeo was the manager of the on-site activities for the field program and is a QP within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), under TSX guidelines.

#### About Silver Spruce Resources Inc.

[Silver Spruce Resources Inc.](#) is a Canadian junior exploration company which has signed a Definitive Agreement to acquire 100% of the Melchett Lake Zn-Au-Ag project in northern Ontario and is pursuing development of the Pino De Plata Ag project in western Chihuahua State, Mexico. The Company also has entered into a binding Letter of Agreement to acquire 100% of the advanced Cocula gold project in Jalisco State, Mexico, and subject to ongoing due diligence. [Silver Spruce Resources Inc.](#) continues to investigate opportunities that Management has identified or that have been presented to the Company for consideration.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. The company seeks Safe Harbour.

Contact:

[Silver Spruce Resources Inc.](#)

Karl Boltz, President/CEO/Director  
(866) 641-3397  
info@silverspruceresources.com  
www.silverspruceresources.com

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