

Ely Gold Royalties Purchases Interest in Borden Lake Royalty

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Vancouver, May 28, 2020 - [Ely Gold Royalties Inc.](#) (TSXV: ELY) (OTCQX: ELYGF) ("Ely Gold" or the "Company") is pleased to announce that it has signed a binding term sheet with two individuals dealing at arm's length to the Company (the "Vendors") to purchase 0.40% of a 2.0% net smelter returns royalty on the Borden Lake Gold Mine (the "Probe Royalty") which includes a group of mineral tenures located approximately 160.0 km. southwest of the city of Timmins and 9.0 km. east-northeast of the town of Chapleau, Ontario (the "Transaction").

The Probe Royalty was granted to the Vendors pursuant to a 2010 option agreement with Probe Mines Limited, an Ontario corporation. Probe was acquired by Goldcorp Inc in 2015. Goldcorp merged with Newmont Corporation in 2019 to form the current Newmont Corporation (NYSE: NEM).

The Probe Royalty is subject to a buy-down option pursuant to which Newmont is entitled to buy it down from 2.0% to 1.0% for a one-time cash payment of \$1.0M. Under the present Transaction terms, if the buy-down right is exercised, then the entire reduction will be applied to the Vendors' 1.6% Probe Royalty interest, such that the Vendors will receive the full amount of the buy-down payment and, accordingly, the Vendors' portion of the Probe Royalty will be reduced from 1.6% to 0.6%; whereas Ely Gold's share will remain at 0.4%. In addition, the Vendors have granted a right of first refusal to Ely Gold with respect to any proposed sale by the Vendors of their remaining 0.6% of the Probe Royalty.

Under the terms of the Transaction, in consideration for its 0.4% Probe Royalty interest, Ely Gold will pay CDN\$300,000 in cash (the "Cash Consideration"), 100,000 Ely Gold common shares at a deemed issue price of \$1.15 per share (the "Share Consideration"), and 80,000 Ely Gold non-transferable common share purchase warrants, each exercisable to purchase one additional common share for a 5-year term at an exercise price of \$1.37 per share (the "Warrants").

In connection with the Transaction, Ely Gold has agreed to pay a finder's fee on closing to an arm's length individual in the form of a \$7,000 cash payment and 50,000 non-transferable Warrants having the same terms as the consideration Warrants issuable to Vendors.

The completion of the Transaction, presently slated to occur by June 30, 2020, remains subject to customary commercial conditions, including completion of Ely Gold's due diligence, settlement of definitive conveyance documentation and acceptance for filing by the TSX Venture Exchange.

Qualified Person

Stephen Kenwood, P. Geo, is a director of the Company and a Qualified Person as defined by NI 43-101. Mr. Kenwood has reviewed and approved the technical information in this press release.

About Ely Gold Royalties Inc.

[Ely Gold Royalties Inc.](#) is a Nevada focused junior gold royalty company. Its current portfolio includes royalties on the Jerritt Canyon, Goldstrike and Marigold Mines in Nevada, as well as the Fenelon property in Quebec, operated by Wallbridge Mining. The Company continues to actively seek opportunities to purchase producing or near-term producing royalties. Ely Gold is also generating development royalties through property sales on projects that are located at or near producing mines. Management believes that due to the Company's ability to locate and purchase third-party royalties, its strategy of organically creating royalties and its gold focus, Ely Gold offers shareholders a favourable leverage to gold prices and low-cost access to long-term gold royalties.

On Behalf of the Board of Directors
Signed "Trey Wasser"
Trey Wasser, President & CEO

For further information, please contact:

Trey Wasser, President & CEO
trey@elygoldinc.com
972-803-3087

Joanne Jobin, Investor Relations Officer
jjobin@elygoldinc.com
647 964 0292

FORWARD-LOOKING CAUTIONS: This press release contains certain "forward-looking statements" within the meaning of Canadian securities legislation, including, but not limited to, statements regarding completion of the Transaction, a possible exercise of a buy-down right attached to the Probe Royalty, and a right of first refusal granted to Ely Gold. Forward-looking statements are statements that are not historical facts; they are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "aims," "potential," "goal," "objective," "prospective," and similar expressions, or that events or conditions "will," "would," "may," "can," "could" or "should" occur, or are those statements, which, by their nature, refer to future events. The Company cautions that forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Except to the extent required by applicable securities laws and the policies of the TSX Venture Exchange, the Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include the Company's inability to control whether the buy-down right will ever be exercised, and whether the right of first refusal will ever be triggered, uncertainty as to whether any mining will occur on the property covered by the Probe Royalty such that the Company will receive any payment therefrom, and the general risks and uncertainties relating to the mineral exploration, development and production business. The reader is urged to refer to the Company's reports, publicly available through the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com for a more complete discussion of such risk factors and their potential effect.

Neither the TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

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