

Northway Resources Corp. Enters Into Letter of Intent with Kenorland Minerals Ltd. for a Proposed Reverse Takeover

29.07.2020 | [Newsfile](#)

Vancouver, July 29, 2020 - [Northway Resources Corp.](#) (TSXV: NTW) (the "Company") and [Kenorland Minerals Ltd.](#) ("Kenorland") jointly announce that they have entered into a letter of intent dated July 28, 2020 whereby the Company will acquire all of the issued and outstanding securities of Kenorland by way of a share exchange, amalgamation or such other form of business combination as the parties may determine.

Upon successful completion of the proposed acquisition of the securities of Kenorland (the "Transaction"), it is anticipated that the Company will be listed as a Tier 2 Mining issuer on the TSX Venture Exchange ("TSX-V") and will carry on the combined business of Northway and Kenorland (the "Resulting Issuer"). The Transaction constitutes a 'reverse takeover' of the Company pursuant to Policy 5.2 of the TSX-V. Following completion of the Transaction but prior to the completion of any concurrent private placement as discussed below, shareholders of Northway will hold 12.13% of the Resulting Issuer with shareholders of Kenorland holding the remaining 87.87%.

As Kenorland is the holder of 6,000,000 common shares of the Company, representing 14.50% of the issued and outstanding shares (18.44% on a partially diluted basis), the Transaction constitutes a 'related party transaction' as defined in Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). As a result, the completion of the Transaction will be subject to majority of the minority shareholder approval requirements of MI 61-101.

The Company has appointed a special committee comprised of three independent directors to review and approve the Transaction.

Transaction Summary

Pursuant to the Transaction, the Company will issue common shares ("NTW Shares") to the holders of common shares in the capital of Kenorland ("Kenorland Shares") on the basis of approximately two post-Consolidation (as defined below) NTW Shares for each Kenorland Share. It is anticipated that approximately 30.05 million NTW Shares will be issued pursuant to the Transaction based on the current capital structure of Kenorland.

No advances to be made by the Company to Kenorland are contemplated by the letter of intent and no finder's fees are payable in connection with the Transaction.

The Transaction is subject to a number of terms and conditions, including, but not limited to, the parties entering into a definitive agreement with respect to the Transaction on or before August 31, 2020 (such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature), the completion of satisfactory due diligence investigations, the completion of a private placement by the Company as further described below, the completion of the Consolidation and the approval of the TSX-V and other applicable regulatory authorities. All dollar figures referenced herein, unless otherwise specified, refer to Canadian dollars.

Trading in the NTW Shares will remain halted pending the satisfaction of all applicable requirements of Policy 2.4 of the TSX-V. There can be no assurance that trading of NTW Shares will resume prior to the completion of the Transaction. Further details concerning the Transaction (including additional financial information) and other matters will be announced if and when a definitive agreement is reached.

Information Concerning Kenorland

Kenorland is a private exploration company incorporated under the laws of the Province of British Columbia and based in Vancouver, British Columbia, Canada. Kenorland's business model is project generation focused on early to advanced stage exploration assets. The company currently holds three properties where work is being completed under an earn-in agreement from third parties. The Frotet and Chicobi Projects,

which are both located in Quebec, Canada, are optioned to Sumitomo Metal Mining Canada Ltd. and the Chebistuan Project, also located in Quebec, is optioned to Newmont Mining. The company also owns 100% of the advanced stage Tanacross porphyry Cu, Au, Mo project in Alaska, USA. Additional information concerning Kenorland is available at www.kenorlandminerals.com.

John Tognetti holds 4,980,000 Kenorland Shares, representing 33.15% of the outstanding Kenorland Shares. The Company's CEO, Zachary Flood, who is also the President, CEO and a director of Kenorland hold 1,780,000 Kenorland Shares, representing 11.85% of the outstanding Kenorland Shares.

Kenorland Minerals announces grassroots gold discovery with intersects up to 29m at 8.47 g/t Au, including 11.13m at 18.43 g/t Au, at Regnault, in the Frotet-Evans Belt of Quebec

Kenorland is pleased to report the discovery of significant gold mineralization in multiple drill hole intersections at the Regnault target of its Frotet Project, located in the Frotet-Evans Greenstone Belt, Quebec, Canada. Complete results from the 15-drill hole maiden program, funded by Sumitomo Metal Mining Canada Limited ("SMMCL"), are summarized below.

Highlights include:

- The discovery of a new significant gold system in the Frotet Evans greenstone belt in an area with no known mineral occurrences or historic drilling.
- Initial drilling encountered high grade gold mineralization associated with quartz veins along with lower grade, broadly disseminated gold mineralization.
- Results from 20RDD007 intersected 29.08m at 8.47 g/t Au including 11.13m at 18.43 g/t Au.
- Recognition of geological controls and geophysical expressions of gold mineralization which will aid in targeting for future drill programs.

Table 1. Summary of Significant Intercepts

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)
20RDD002	38.93	39.70	0.77	14.60	18.50
and incl.	49.31	53.06	3.75	16.06	23.00
	52.30	53.06	0.76	57.00	83.30
20RDD004	191.80	217.22	25.42	0.27	0.24
and incl.	256.34	258.93	2.59	9.89	10.20
	257.44	258.93	1.49	15.26	17.28
20RDD007	72.00	101.08	29.08	8.47	12.23
incl.	89.27	100.40	11.13	18.43	25.93
and	367.00	369.30	2.30	2.73	2.89
20RDD008	31.50	33.00	1.50	3.54	6.43
and	151.00	151.36	0.36	25.20	45.30
and	160.12	160.43	0.31	28.40	15.20
20RDD009	106.00	116.44	10.44	0.83	0.63
20RDD012	111.67	117.11	5.44	5.94	2.10
incl.	111.67	112.37	0.70	35.30	9.90
and	212.24	213.46	1.22	6.15	2.52
20RDD014	295.18	320.62	25.44	0.31	0.39
and	498.59	505.50	6.91	1.98	1.71
incl.	501.41	501.91	0.50	9.12	9.80
20RDD015	47.57	52.50	4.93	9.59	18.36
incl.	51.90	52.21	0.31	114.30	237.00

The Regnault discovery is hosted in a multi-phase intrusive complex that ranges in composition from tonalite

to diorite that intrudes into a package of intermediate block, lapilli and crystal tuffs that are located in a zone of structural complexity along an east-west trending regional deformation zone. Visible gold is observed in quartz veins hosted within biotite-calcite-pyrite-silica altered intrusive rocks. Gold mineralization is also associated with broadly disseminated pyrite hosted in zones of intense biotite-calcite alteration, along contacts of the intrusive phases. Mineralization observed in drill core is similar to that of boulders found in the Regnault target area in 2019, which assayed up to 408 g/t Au. The mineralized boulders were found within a significant gold in soil (glacial till substrate) dispersion anomaly directly down ice of the area being drilled.

https://orders.newsfilecorp.com/files/6489/60706_Figure1.jpg

Figure 1. Results of 2018 and 2019 regional soil sampling programs

The 2020 first pass drill program at the Regnault target area follows two seasons of systematic grassroots exploration. In summer of 2018, the initial 55,921 ha property was geochemically screened using B-horizon soil sampling (glacial till substrate) on a 1500m x 150m grid. In 2019, areas of gold-in-soil anomalism found in the 2018 survey were followed up with infill soil sampling, till sampling, boulder prospecting, geological mapping, airborne magnetics, and LIDAR surveys. An extensive 3km by 1km gold-in-soil anomaly/dispersion train was defined that contained up to 283 gold grains (159 pristine grains) and boulders assaying up to 408 g/t Au. 43 of 115 boulder samples within the soil anomaly returned assays greater than 0.1 g/t Au while ten boulders returned assays greater than 10g/t Au. Due to the absence of any outcrop in the area, drill targeting for the 2020 drill program relied on interpretation from high resolution drone magnetics, 3D IP, and surface geochemistry, including location of mineralized boulders.

Within the immediate Regnault target area there are no recorded mineral occurrences or historical drilling. There are two historical drillholes (drilled in 1962 and 1972 respectively) located approximately 500m to the east of the target area which had tested buried EM conductors within the in surrounding volcanic rocks with no significant reported intercepts. The Regnault target is located 5km from the provincially maintained Route du Nord and is accessed by pre-existing logging roads.

https://orders.newsfilecorp.com/files/6489/60706_4d8a17ec54da6946_002.jpg

Figure 2. Map of the Regnault Target Area

https://orders.newsfilecorp.com/files/6489/60706_4d8a17ec54da6946_003.jpg

Figure 3. Plan map of the 2020 drill program

https://orders.newsfilecorp.com/files/6489/60706_4d8a17ec54da6946_004.jpg

Figure 4. Drill core from 20RDD007 (84.45m - 104.80m)

Table 2. Drillhole location and collar table

Hole_ID	Easting (NAD83)	Northing (NAD83)	Elevation (m)	Depth (m)	Dip	Azimuth	
20RDD001	519949.5		5621303.02		388.12	498	-44.74
20RDD002	518667.95		5620084.55		381.99	141	-45.8
20RDD003	519289.66		5621064.66		377.55	270	-45.82
20RDD004	519868.03		5621163.18		382.58	561	-45.96
20RDD005	519164.53		5621028.06		381.62	303	-44.63
20RDD006	519100		5620814.49	374.98		399.2	-44.46
20RDD007	519534.95		5620697.55	374.98		492	-45.03
20RDD008	518928.16		5620584.22	377.03		447	-44.97
20RDD009	519877.49		5620906.88	380.55		264	-44.19
20RDD010	518863.58		5620454.83	378.7		447	-43.82
20RDD011	519623.52		5620303.85	374.3		261	-44.96
20RDD012	519514.72		5620564.82	375.85		447	-45.32
20RDD013	519377.45		5621404.45	381.84		573	-45
20RDD014	519219		5619913	377.1	537		-44.9
20RDD015	518946		5620150	376.1	279.41		-54.54

Zach Flood, President and CEO of Kenorland states: "The results from the maiden drill program at Regnault are nothing short of amazing. We have found a new significant gold system just a few kilometers off the Route du Nord in Quebec, completely concealed undercover, through systematic grassroots exploration. We have blindly intersected multiple gold bearing structures at various orientations in an area over 1.5 kilometers long and 500 meters wide. There remains a significant amount of strike length, indicated by boulders and soil geochemistry, which has yet to be touched and which we plan to aggressively explore in the coming months ahead. The results announced are the outcome of a sustained effort over multiple seasons, in collaboration with, and support from, our partners at Sumitomo Metal Mining. The discovery here highlights the potential to

make further incredible grassroots discoveries in Quebec and elsewhere, even in areas that have been considered heavily prospected in the past."

The Frotet Project

The Frotet Project was first identified by Kenorland in 2017 after completing a regional prospectivity study over the Abitibi and Frotet-Evans Greenstone Belts. The Frotet-Evans greenstone belt hosts the Troilus Au-Cu deposit which produced more than two million ounces of gold of and ~70,000 tons of Cu from 1996-2010 and currently contains 3.97Moz Au indicated and 1.53Moz Au inferred (Troilus Gold website) . The initial 55,921 ha property was acquired through map staking in March, 2017 and then optioned to SMMCL in April, 2018. The two staged earn-in agreement allows SMMCL to earn 65% by funding C\$4.3 million in expenditures over an initial three years. SMMCL then has the option to earn an additional 15% (80% total) by funding another C\$4 million over the following year. Once a joint venture is formed, any party which is diluted below a 10% interest will convert their interest to a 2% uncapped net smelter royalty.

QA/QC and Core Sampling Protocols

All drill core samples were collected under the supervision of the company employees. Drill core was transported from the drill platform to the logging facility where it was logged, photographed, and split by diamond saw prior to being sampled. Samples were then bagged, and blanks and certified reference materials were inserted at regular intervals. Groups of samples were placed in large bags, sealed with numbered tags in order to maintain a chain-of-custody, and transported from Chibougamau to BV laboratory in Timmins, Ontario.

Sample preparation and analytical work for this drill program was carried out by Bureau Veritas Commodities, Timmins, Ontario. Samples were prepared for analysis according to BV method PRP70-250: individual samples were crushed to 2mm and a 250g split was pulverized for analysis and then assayed for Gold. Gold in samples was analysed by fire assay with AAS finish and over-limits re-analyzed gravimetrically. In zones with macroscopic gold the samples were first screened, and the fine fraction was fire assayed with AAS finish. All results passed the QAQC screening at the lab, all company inserted standards and blanks returned results that were within acceptable limits.

Management and Board of Directors of Resulting Issuer

It is anticipated that the board of the Company will continue as the board of the Resulting Issuer and that management of the Company will remain unchanged.

Zachary Flood, President, Chief Executive Officer and Director

Mr. Flood is an experienced geologist who has managed mineral exploration in countries around the world including Mongolia, China, Dem. Rep. Congo, Peru, Argentina, Canada, and the U.S. over the past 15 years. Zach also spent numerous years within the Ivanhoe Group, evaluating early to advanced stage M&A opportunities in the mining sector. Zach is currently the Co-founder, President, CEO, and Director of Kenorland Minerals Ltd, an established project generator, focused on exploration in North America. Mr. Flood holds a Bachelor of Science in Earth and Ocean Sciences from the University of Victoria.

Jamie Levy, Director

Mr. Levy has over 10 years of experience in the mining industry and an exceptional track record for raising capital and managing listed Canadian companies. He is currently the President and CEO of [Generation Mining Limited](#) and was the President and CEO of Pine Point Mining Ltd., which was acquired by Osisko Metals Inc. Mr. Levy has held various positions in Canadian listed companies and financial institutions, including as a Vice-President of Pinetree Capital Ltd.

Rick Trotman, Director

Mr. Trotman is a professional geologist. Mr. Trotman was previously with Resource Capital Funds, a leading mining-focused private equity firm, where he was involved in executing a broad range of investments spanning the precious, base and minor metal spaces and was also responsible for establishing and managing the firm's portfolio of exploration investments. Mr. Trotman holds a Master of Science in Economic Geology from the University of Nevada, Reno and a Bachelor of Science in Geology from Washington State University.

Jay Sujir, Director

Mr. Sujir is a securities and natural resources lawyer who has twenty-three years of experience in advising

and assisting public companies. He is a senior partner with Farris, Vaughan, Wills & Murphy LLP. Mr. Sujir is a member of the Law Society of British Columbia, the Canadian Bar Association, and the British Columbia Advisory Committee of the TSX Venture Exchange. Mr. Sujir holds his LLB and a B.A (Economic and Philosophy) from the University of Victoria.

Jessica Van Den Akker, Director

Ms. Van Den Akker is a Chartered Professional Accountant (CA) with over 15 years' experience in the resource sector. She holds the position of Chief Financial Officer at Vanadian Energy Corp., Chief Financial Officer for Sandspring Resources Ltd., Chief Financial Officer at Rusoro Mining Ltd., Chief Financial Officer & Vice President-Finance of Fiore Management & Advisory Corp. and Chief Financial Officer for Klondike Gold Corp. Ms. Van Den Akker worked for a Canadian audit firm providing reporting and accounting assurance services to publicly traded companies. Ms. Van Den Akker is a graduate of Simon Fraser University where she received a Bachelor of Business Administration.

Enoch Kong, Chief Financial Officer and Corporate Secretary

Mr. Kong is a graduate from the Simon Fraser University, completing his Bachelor of Business Administration in 2005. He received his Certified General Accountant designation in 2008 and his Chartered Accountant designation in 2010. Mr. Kong is currently a senior member with Michael Waldkirch & Company Inc., Chartered Professional Accountants, in Vancouver, BC. He has extensive experience in controllership and financial reporting for public companies in the oil and gas and mining sectors listed in Canada and United States.

Thomas Hawkins, VP Exploration

Mr. Hawkins (PhD, P.Geol) has 18 years of international experience identifying, assessing, and advancing mineral exploration projects. He graduated in 2004 from Imperial College, London with a Masters in Geology and Geophysics, and gained a PhD in Geology in 2012 from the University of Brighton, UK. Thomas has extensive experience managing projects in Ghana, Mexico, Canada, the U.K., and Kazakhstan. Thomas is also currently the VP Exploration of Kenorland Minerals Ltd.

Consolidation

The completion of the Transaction is subject to the completion by the Company of a consolidation of its share capital on a 10 old for one new basis (the "Consolidation").

Private Placement

Pursuant to the letter of intent, it is a condition of the Transaction that the Company completes a private placement to raise gross proceeds of \$10,000,000 on terms to be determined. Additional details concerning the terms of the private placement will be provided in a subsequent press release.

The Company intends to use the net proceeds of the private placement to fund the Transaction, to develop the business of the resulting issuer and for working capital and general corporate purposes.

This news release does not constitute an offer to sell and is not a solicitation of an offer to buy any securities in the United States. The securities of the Company and Kenorland have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws unless pursuant to an exemption from such registration.

Shareholder Meeting

Approval for the Consolidation and Transaction will be sought from the Company's shareholders on a date to be determined.

Sponsorship

The Transaction is subject to the sponsorship requirements of the TSX-V unless an exemption from those requirements is granted. There can be no assurance that an exemption will be obtained, if an exemption from the sponsorship requirements is not obtained, a sponsor will be identified at a later date. An agreement to act as sponsor in respect of the Transaction should not be construed as any assurance with respect to the merits of the Transaction or the likelihood of its completion.

Trading Halt

Trading in the NTW Shares has been halted as of July 24, 2020 and will remain halted pending the satisfaction of all applicable requirements pursuant to Policy 5.2 of the TSX-V.

Name Change

Upon completion of the Transaction, the Company intends to change its name to "Kenorland Minerals Ltd." or such other name as Kenorland and the Company may determine, and the parties expect that the TSX-V will assign a new trading symbol for the Resulting Issuer.

Qualified Person

Thomas Hawkins, P.Geo. (OGQ #2200), geologist, Vice President, Exploration of Kenorland Minerals Ltd., Qualified Person under NI 43-101 on standards of disclosure for mineral projects, has reviewed and approved the technical content of this release.

Forward-Looking Statements

This news release contains certain "forward looking statements" including, for example, statements relating to the completion of the Transaction and Private Placement and the Resulting Issuer's anticipated share capital. Such forward-looking statements involve risks and uncertainties, both known and unknown. The results or events depicted in these forward-looking statements may differ materially from actual results or events. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding and are implicit in, among other things: receipt of regulatory approvals, the Company's ability to complete the Transaction and Private Placement, the state of the capital markets, the impact of the COVID-19 pandemic, the ability of the Resulting Issuer to successfully manage the risks inherent in pursuing business opportunities in the mining industry, and the ability of the Resulting Issuer to obtain qualified staff, equipment and services in a timely and cost efficient manner to develop its business. Any forward-looking statement reflects information available to the Company as of the date of this news release and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

For more information visit our website www.northwayresources.com

On behalf of the Board of Directors

Zachary Flood, President and Chief Executive Officer
Telephone: (604) 363-1779

All information contained in this news release relating to Kenorland was provided by Kenorland to the Company for inclusion herein. The Company has not independently verified such information and shall bear no liability for any misrepresentation contained therein.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable pursuant to TSX-V requirements, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSX-V has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news release.

Neither the 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.

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/357552--Northway-Resources-Corp.-Enters-Into-Letter-of-Intent-with-Kenorland-Minerals-Ltd.-for-a-Proposed-Reverse-Takeover>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).