Nicola Mining Inc. Obtains Extension to Mineral Purchase Agreement to Acquire 50% of Dominion Creek Gold Project

02.06.2021 | Newsfile

Vancouver, June 2, 2021 - Nicola Mining Inc. (TSXV: NIM) (FSE: HLI), (the "Company" or "Nicola") announces that it has signed an Amended and Restated Mineral Purchase Agreement (the "Amended Mineral Purchase Agreement") with High Range Exploration Ltd. ("High Range") to acquire 50% of the Dominion Creek Property (the "Gold Project") which is located 43 kilometers northeast of the Town of Wells and approximately 110 kilometers east-southeast of Prince George. The Company announced on September 17, 2020 that it had signed a Strategic Milling and Profit Share Agreement ("Profit Share Agreement") with High Range and on September 23, 2020 that it had entered into a Letter of Intent ("LOI") to acquire a 50% interest in the Gold Project.

The Amended Mineral Purchase Agreement extends the closing until June 15, 2021, which allows the Company to complete its final due diligence and documentation for closing. The Company received support for the acquisition from Ocean Partners Holdings and is able to draw down non-dilutive funds for the transaction via a revolving US$500,000 prepayment provision that allows the Company to request an advance prepayment for the purpose of working capital.

Nicola and High Range intend to bring the project towards a 10,000 tonne bulk sample permit.

Under terms of the Amended Mineral Purchase Agreement, Nicola can acquire 50% of the Gold Project for $150,000 and the payment of $75,000 in expenses, which combined with a 50% economic benefit from the Profit Share Agreement, provide it with a 75% economic benefit in the Gold Project.

Nicola agrees to finance estimated startup costs of $525,000 (see Table 1). The Company will also receive 100% of the economic benefit from the profits of the bulk sample until all startup costs have been repaid in full.

Table 1: Bulk Sample Permit Start Up Costs

Use of Capital	Budget Estimate	Repaid Upon Production
• Cost to acquire 50% of Dominion Creek Property	$150,000	Yes
• Completion of bulk sample permit application	$75,000	Yes
• Camp	$50,000	Yes
• Road Construction and Infrastructure Upgrades	$300,000	Yes
• Reclamation Bonding	$100,000	Yes

Note: Figures are estimates and may be subject to change.

DOMINION CREEK PROPERTY HISTORY

The Dominion Creek Property consists of 8 mineral claims (55 units) totaling approximately 1 040 hectares. A 1,180 tonne bulk sample from the South Zone was excavated in 1992 and limited drilling has occurred. The site was owned by Noranda Exploration Company Ltd., who initially completed a small (20 sample) geochemical silt sample survey in 1986 and was encouraged by those results to complete a larger soil geochemical survey (3,399 samples). There are two clear mineralized areas that include a small bulk sample pit and a mineralized outcrop containing multiple distinctive veins.

Eighty tonnes of concentrate was shipped and processed at the Cominco smelter in Trail in 1992. The mill

head grade determined for the bulk sample was 14.1 g/t Au and the average gold recovery was 93%[1]. Little material sorting was conducted at the time but visual separation of mineralized rock on site prior to transport is viable. This is expected to increase grade and minimize transportation cost. Noranda Exploration Company Ltd.'s exploration program included 53 diamond drill holes, for a total of 3,483.7 meters. Drilling in the South Zone covered an area of approximately 300 meters by 200 meters. Limited drilling in the North Zone covered two small areas (approximately 50 meters by 60 meters) 300 meters apart. The drill targets were selected using the geochemical survey data and outcrop sampling from trenches and drill access roads.

A Technical Report on the Dominion Creek Project[2] was completed by Geospectrum Engineering on August 22, 2003.

Noranda Exploration

Noranda Exploration Company Ltd.'s exploration program included 53 shallow diamond drill holes, totaling 3,483.7 meters (average depth of approximately 65.7 metres). Drilling in the South Zone covered an area of approximately 300 meters by 200 meters. Limited drilling in the North Zone covered two small areas (approximately 50 meters by 60 meters) 300 meters apart. The drill targets were selected using the geochemical survey data and trench drill access road data.

The Company will continue to conduct due diligence on the Project prior to committing to proceeding to close the purchase.

Qualified Person

Kevin Wells, P.Geo, a consulting geologist to the Company, is the independent qualified person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects for the technical disclosure contained in this news release.

About Nicola Mining

Nicola Mining Inc. is a junior mining company listed on the TSX Venture and Frankfurt Exchanges that maintains a 100% owned mill and tailings facility, located near Merritt, British Columbia. The fully-permitted mill can process both gold and silver mill feed via gravity and flotation processes. The Company also owns 100% of the New Craigmont Project, a high-grade copper property, and an active gravel pit that is located adjacent to its milling operations.

On behalf of the Board of Directors

"Peter Espig"

Peter Espig
CEO & Director

For additional information

Contact: Peter Espig
Phone: (778) 385-1213
Email: info@nicolamining.com

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.

[1] Makepiece, D.A. (2003): Technical Report for Dominion Creek Project. Unpublished. Prepared for XMP Mining Limited. p. 41 p

[2] Dominion Creek Project: Cariboo Mining Division of British Columbia for XMP Mining Limited and written by David K. Makepeace, M.Eng., P.Eng. of Geospectrum Engineering.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/86086

Dieser Artikel stammt von Rohstoff-Welt.de
Die URL für diesen Artikel lautet:
https://www.rohstoff-welt.de/news/385366--Nicola-Mining-Inc.-Obtains-Extension-to-Mineral-Purchase-Agreement-to-Acquire-50Prozent-of-Dominion-Creek-G

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 Datenschutzrichtlinen.