

# Kapa Gold Provides Further Details on Option Agreement for BC Nickel Project

06.03.2023 | [Newsfile](#)

Vancouver, March 6, 2023 - [KAPA Gold Inc.](#) (TSXV: KAPA) ("Kapa" or the "Company") is pleased to provide additional details on its recently signed option agreement ("Option Agreement") to acquire a 100% interest in the Mastodon Nickel Project ("Mastodon") a large, historic nickel project located in Southern BC.

As previously reported on February 21, 2023, Kapa recently entered into the Option Agreement with Guy Delorme ("Delorme") to earn a 100% interest in Mastodon. Terms of the Option Agreement include the payment of an initial deposit of \$25,000 due upon 30 days of signing, the issuance of 50,000 common shares and exploration expenditures of \$150,000 in the first year. At the end of year one, a further 150,000 common shares are due and as well as a payment equal to 10% of all incurred exploration expenditures. In addition, the Company must make five further annual share issuances of 200,000 shares per year and cash payments equal to 10% of all exploration expenditures, capped at a maximum of \$1 million. Additional terms include that upon a positive feasibility report being prepared, incorporating NI 43-101 and CIM standards, payment of either \$1 million or 1 million shares is payable upon the election of Kapa. The Option Agreement grants a 3% NSR, with 1.5% payable to Delorme and 1.5% payable to Carlium Developments Inc ("Carlium") upon commencement of commercial production. Kapa has the right to purchase 0.5% of the NSR from each of or either Delorme and Carlium at any time upon an additional payment of \$1 million. The Company has the further right to acquire an additional 0.5% from each or either of Delorme and Carlium within 12 months of commercial production with payment of an additional \$1.5 million cash to each or either of Delorme and Carlium. The Option Agreement is subject to TSXV Exchange approval.

Kapa has reviewed the historic documents and reports detailing exploration activities relating to the Mastodon project going back to the early 1900's.

The Mastodon project covers 2,118 hectares on Castle Mountain just southeast of Christina Lake in Southern B.C., 18 kilometers from Grand Forks, and is easily accessible. Geologically the project covers a large portion of the Castle Mountain "alpine type" ultramafic body, a serpentized dunite-peridotite-gabbro complex that has been tectonically emplaced against Rossland Group volcanic and sedimentary rocks. The project lies in a well mineralized area midway between the historic Rossland and Boundary Mining camps.

In 1918 the Ministry of Mines reported 800 tons of chromite ore grading 30-40% was shipped from the Mastodon crown grant. The Munitions Resources Commission reports assays of 0.68 g/t platinum from rocks on the project area. The main exploration emphasis occurred between 1966 to 1977 when Hunter Point Exploration followed by Chromex Nickel Mines outlined a large, low grade nickel resource from trenching, geophysics and drilling. The geology was under the direction of R. Steiner, PGeol. In his 1977 report Steiner defined 57 AQ drill holes totalling 19,908 feet and outlined a body of 408,000,000 tons of nickeliferous ore grading between 0.22 to 0.32% nickel. In total since 1977, exploration has been intermittent in the area with different early stage programs displaying potential for nickel, chromium, gold and platinum group elements.

The host ultramafic body is described as largely serpentinite and is composed of variably oxidized alternating layers of serpentized dunite or gabbro or their equivalents. The host ultramafic body is currently outlined as 2,440 meters in length, 1,220 meters wide, and dips 38 degrees to the east. Nickeliferous magnetite and nickel sulphide minerals consisting of pentlandite, millerite and heazlewoodite are more or less uniformly distributed and disseminated throughout the ultramafic body. Some chalcopyrite and brucite have also been identified. Approximately 42% of the total nickel content is held in solid solution with magnetite and sulphides hold the balance. Initial metallurgical testwork in 1975 concluded more work and metallurgical testing will be required to establish the best practice to recover nickel sulphides tied up with the serpentized rock.

The Company acknowledges that the presented work is historic in nature and should not be relied upon and current methodologies are required to bring the project to current standards. A Qualified Person has not done sufficient work to classify any of the historical estimates as current resources and the Company is not treating

any historical estimates as current mineral resources. Kapa has all the historic records and will continue to review these prior to a site visit once snow has disappeared. At that time it can properly assess the style and nature of required exploration.

Assuming the exercise of the Option, Kapa believes the Mastodon project will provide its shareholders with exposure to a significant nickel development asset and additional exposure to strategic metals while also providing project diversification.

#### Qualified Person

The scientific and technical information contained in this news release has been reviewed and approved by Dr. Allan Miller, PhD., P.Geo., Consultant and Senior Geologist of [KAPA Gold Inc.](#), a "Qualified Person" as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects.

#### About Kapa

Kapa Gold, led by experienced capital markets and geologic team, is focused on exploring its 100% owned historic Blackhawk Gold Mine and surrounding underexplored properties for economic mineralization.

To learn more, visit [www.kapagold.com](http://www.kapagold.com)

On behalf of the Board of Directors

[KAPA Gold Inc.](#)

"David K. Paxton"  
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