

LithiumBank Announces Sale of Saskatchewan Projects to Pristine Lithium Corp.

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CALGARY, July 31, 2023 - [LithiumBank Resources Corp.](#) (TSX-V: LBNK) (OTCQX: LBNKF) ("LithiumBank" or the "Company") is pleased to announce it has entered into a definitive asset purchase agreement (the "Agreement") with Pristine Lithium Corp. ("Pristine Lithium" or the "Buyer") whereby the Company will sell to the Buyer (the "Transaction") the Company's three lithium brine projects, Estevan, Kindersley and South (the "Assets") located in Saskatchewan, Canada.

In accordance with the terms of the Agreement, the Company will sell the Assets to the Buyer in exchange for:

- cash consideration of an aggregate of C\$2,000,000 payable as a C\$250,000 deposit within two days of the execution of the Agreement and an additional C\$1,750,000 payable on closing of the transaction (the "Cash Consideration");
- 40,000,000 common shares (the "Share Consideration") in the capital of the Buyer (the "Buyer Shares"), which will represent approximately 47% of the outstanding Buyer Shares on a post-financing basis;
- 20,000,000 warrants, each exercisable into one Buyer Share for a period of two years from the date of issuance at an exercise price of \$0.45 per Buyer Share (the "Warrants") upon the occurrence of certain conditions;
- upon filing a "Preliminary Economic Assessment" (a "PEA"), as such term is defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") in respect of any of the Assets, the Buyer will, at its election, issue Buyer Shares to the Company with a fair market value of C\$1,000,000 or pay the Company an additional C\$1,000,000 in cash; and
- the right to appoint one member of the board of directors of the Buyer (the "Buyer Board") if LithiumBank holds at least 20% of the Buyer Shares or one observer position to the Buyer Board if LithiumBank holds at least 10% of the Buyer Shares.

The Share Consideration, the Warrants and any underlying Buyer Shares issuable upon the exercise thereof will be subject to a voluntary hold period from the date of issuance and will be released in instalments in accordance with the Agreement, with the final release occurring on the 24-month anniversary of the closing date of the Transaction. The end of the voluntary hold period will coincide with the final share release.

Pristine Lithium will also complete a concurrent best efforts private placement at a price per security of at least \$0.30 for aggregate gross proceeds of not less than C\$9,000,000 (the "Concurrent Financing"). The Concurrent Financing will be conducted by Echelon Capital Markets, as lead agent and sole bookrunner, on behalf of a syndicate of agents. Further details regarding the Concurrent Financing will be announced in due course once final terms have been determined.

"The strategic sale of our Saskatchewan Assets to Pristine Lithium will expedite the unlocking of our Saskatchewan properties true potential while allowing LithiumBank to maintain a level of ownership of these assets. LithiumBank is now well positioned to focus on the development of Boardwalk and Park Place without the expense and share dilution related to developing multiple projects in two jurisdictions," said Rob Shewchuk, CEO of LithiumBank. "We look forward to being supportive partners as Pristine becomes the lithium brine leader in Saskatchewan."

"With this transaction, we are excited to be taking the first step towards creating a leading lithium brine developer based in Saskatchewan," commented Nikolas Matysek, CEO of Pristine Lithium. "The Pristine team has the in-province experience and focus to rapidly advance our foundational assets. We are appreciative of LithiumBank's support as Pristine advances the projects with a fully funded and dedicated management team, strong local connections, and access to Direct Lithium Extraction technology."

Using the non-dilutive capital from the asset sale, over the next 12 months LithiumBank expects to fund pilot

plant studies on both Boardwalk and Park Place. The Company will also focus on capturing the near-term PEA enhancement opportunities that can drive positive incremental financial performance (see May 25, 2023 News Release). LithiumBank believes these technical, financial and tax improvements have the potential to position both the Boardwalk and Park Place districts among the more attractive direct brine projects in North America.

The closing of the Transaction is subject to certain customary closing conditions, which include:

- the completion of the Concurrent Financing by Pristine Lithium;
- the receipt of applicable governmental or regulatory approvals, including the conditional approval of the TSX Venture Exchange ("TSXV"); and
- the receipt by the Buyer of conditional listing acceptance of the Buyer Shares on the TSXV (the "Listing Acceptance").

The Transaction is expected to be completed in the fall of 2023 with an outside date of January 2024.

Saskatchewan Assets

The sale of the Assets is expected to make Pristine Lithium the second largest permitholder in Saskatchewan with 336,595 acres of mineral permits across three separate property areas (see Figure 1). Each property targets the Duperow Formation, which is a stratigraphic equivalent to the Leduc Formation in Alberta which hosts the Boardwalk and Park Place assets.

Figure 1: LithiumBank's Saskatchewan lithium brine projects under agreement to be sold to Pristine Lithium.

Kindersley

The Kindersley permits (the "Kindersley Project") are expected to form Pristine's most advanced project in Saskatchewan. A hydrogeological report was completed in November 2022 by Matrix Solutions Inc. ("Matrix") which indicates favourable permeability and porosity characteristics and in-situ brine volume as described below. Matrix is expected to continue technical work on behalf of LithiumBank and Pristine going forward.

- Project size: 111,282 acres, 174 sections of Crown mineral permits
- Development status: Reservoir characterization
- Next milestone: NI 43-101 mineral resource estimate
- Depth to reservoir formation: 1,100 metres
- No H₂S or significant hydrocarbons in reservoir
- In November 2022, the Company completed a hydrogeological study that indicated:
 - The Duperow Formation, within the Kindersley Project area hosts a brine volume of 3.89 km³ at a 6% porosity cut off. Two brine samples from an area of the Duperow Formation adjacent to the Kindersley Project collected in 2017 by the Saskatchewan Geological Survey reported lithium grades of 78 mg/L and 70 mg/L lithium, as described further in the Company's news release dated November 9, 2022, available on the Company's website at www.lithiumbank.ca and SEDAR at www.sedar.com. These lithium samples have not been verified by LithiumBank and do not provide sufficient information to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. Mineralization on neighbouring properties is not necessarily indicative of mineralization on any of the properties being acquired by Pristine.
 - The Duperow Formation is an unconfined aquifer that measures up to 300 metres thick within the area of the Company's mineral permits.

South Property

The South permits (the "South Project") will be Pristine's largest project in Saskatchewan. It is a contiguous land package and the Duperow formation at South has been intersected by numerous oil and gas wells that provide low-cost entry for exploration and production.

- Project size: 134,229 acres, 210 sections of Crown mineral permits
- Development status: Hydrogeological study underway
- Next milestone: NI 43-101 mineral resource estimate
- Reservoir thickness: Up to 160 metres
- Depth to reservoir formation: 2,100 metres
- Contiguous land package
- No H₂S in reservoir
- Neighbouring lithium exploration activities, adjacent to the Company's South property have reported lithium grades ranging between 98 and 172 mg/L lithium. These lithium samples have not been verified by LithiumBank and do not provide sufficient information to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. Mineralization on neighbouring properties is not necessarily indicative of mineralization on any of the properties being acquired by Pristine.
- Deep Earth Energy Production has finalized engineering and construction work on a 25 MW geothermal project in the area which can be expanded to > 200 MW

Estevan

The Estevan permits (the "Estevan Project") is located in a region that has returned some of the highest lithium grades in Saskatchewan. Brine samples from wells adjacent to Estevan grade between 77 - 259 mg/L lithium. These lithium samples have not been verified by LithiumBank and do not provide sufficient information to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. Mineralization on neighbouring properties is not necessarily indicative of mineralization on any of the properties being acquired by Pristine. The South and Estevan properties sandwich Prairie Lithium Corporation's Williston Basin project that recently sold to Arizona Lithium Limited.

- Project size: 90,883 acres, 142 sections of Crown mineral permits
- Development status: Hydrogeological study
- Next milestone: NI 43-101 mineral resource estimate
- Reservoir thickness: Up to 150 metres
- Depth to reservoir formation: 1,700 metres
- Neighbouring lithium exploration activities, adjacent to the Company's Estevan property have reported lithium grades ranging between 77 and 259 mg/L lithium. These lithium samples have not been verified by LithiumBank and do not provide sufficient information to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. Mineralization on neighbouring properties is not necessarily indicative of mineralization on any of the properties being acquired by Pristine.

Qualified Person

The scientific and technical disclosure in this news release has been reviewed and approved by Mr. Kevin Piepgrass (Chief Operations Officer, [LithiumBank Resources Corp.](#)), who is a Member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia (APEGBC) and the Association of Professional Engineers and Geoscientists of Alberta (APEGA) and is a Qualified Person (QP) for the purposes of NI 43-101. Mr. Piepgrass consents to the inclusion of the data in the form and context in which it appears.

About LithiumBank Resources Corp.

[LithiumBank Resources Corp.](#) is a development company focused on lithium-enriched brine projects in Western Canada where low-carbon-impact, rapid DLE technology can be deployed. LithiumBank currently holds over 3.6 million acres of mineral titles, 3.33M acres in Alberta. LithiumBank's mineral titles are strategically positioned over known reservoirs that provide a unique combination of scale, grade and exceptional flow rates that are necessary for a large-scale direct brine lithium production. LithiumBank is advancing and de-risking several projects in parallel of the Boardwalk Lithium Brine Project.

About Pristine [Lithium Corp.](#)

Pristine [Lithium Corp.](#) is a lithium brine exploration and development company that has a right to acquire

three projects covering 336,000 acres in southern Saskatchewan. Pristine is focused on purposefully advancing its projects from resource delineation through to economic optimization. It will use validated Direct Lithium Extraction technology to develop long life, North American lithium projects that will have limited surface footprints and provide a critical battery metal for the green energy industry.

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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.

Cautionary Statement Regarding Forward Looking Statements

This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. All statements in this news release, other than statements of historical facts, including statements regarding future estimates, plans, objectives, timing, assumptions or expectations of future performance, including without limitation, the ability of the parties to satisfy the conditions precedent to complete the Transaction, including the Concurrent Financing and the Listing Acceptance, the ability of the Company and the Buyer to give effect to the sale, conveyance, assignment and transfer of the Assets by the Company to the Buyer; necessary regulatory approvals, including the approval of the TSXV, the use of the proceeds of the sale of the Assets, the payment of certain consideration for the Assets based on certain conditions in accordance with Agreement, the ability of the Buyer to develop the Assets, the expectation that the sale of the Assets will expedite the development of the Assets and the ability of the Buyer to prepare a PEA are forward-looking statements and contain forward-looking information. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should" or "would" or occur.

Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this press release, including that all conditions to the closing of the Transaction, including the Concurrent Financing and Listing Acceptance, will be satisfied, that the parties to the Agreement will be able to obtain shareholder, director and regulatory approvals, as applicable, that the Company will be able to use the proceeds of the sale of the Assets as planned, that the Buyer will be able to develop the Assets as planned, that the sale of the Assets will expedite their development and that the Buyer will be able to prepare a PEA as planned.

These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Important risks that may cause actual results to vary, include, without limitation, the risk that required approvals are not obtained and material conditions, such as the Concurrent Financing and Listing Acceptance, are not satisfied in connection with the Transaction; the risk that the Transaction is not approved or completed on the terms set out in the Agreement or at all; the risk that the conditions for the payment for certain conditional consideration as set out in the Agreement may not occur; the risk that the Company may not be able to use the proceeds of the sale of the Assets as planned; the risk that the Buyer may not be able to develop the Assets as planned; the risk that the sale of the Assets may not expedite their

development and the risk that Buyer may not be able to prepare a PEA as planned.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws.

An infographic accompanying this announcement is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/4be47371-fb75-4995-83ce-9b368d4d4a2b>

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