

Torq Announces Proposed US\$48 Million Earn-In Option and Joint Venture Agreement with Gold Fields on Santa Cecilia Project

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VANCOUVER, August 1, 2024 - [Torq Resources Inc.](#) (TSX-V:TORQ)(OTCQB:TRBMF) ("Torq" or the "Company") is pleased to announce that as of July 31, 2024 it has entered into a non-binding term sheet (the "Term Sheet") with an affiliate of [Gold Fields Ltd.](#) ("Gold Fields") with respect to a proposed option and joint venture agreement to advance the exploration and development of Torq's Santa Cecilia copper-gold project in Chile (the "Option Agreement"). Under the Option Agreement, Gold Fields is to be granted a two-stage option to acquire up to a 75% interest in the Santa Cecilia Project in exchange for incurring an aggregate of US\$48 million in spending at the project over a maximum of 6 years.

The Santa Cecilia mineral exploration project ("Santa Cecilia Project") is a 3,250-hectare property located approximately 100km east of the city of Copiapo, Chile, in the southern region of the world-class Maricunga belt and immediately north of the El Indio belt. Under the Term Sheet, the parties intend to negotiate and execute a definitive Option Agreement within a timeframe to allow for consideration by Torq's shareholders for approval at Torq's 2024 annual general meeting anticipated to be held in mid-November 2024.

Neither party will be bound to proceed with the transactions contemplated by the Term Sheet unless and until such time as the definitive Option Agreement is executed. Execution of the Option Agreement remains subject to completion by Gold Fields of its legal and technical due diligence which is presently in its advanced stage.

Gold Fields is a "related party" to the Company, as defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") due to its 15.5% ownership position in Torq. Accordingly, the transactions contemplated by the Option Agreement will constitute "related party transactions" under MI 61-101 and Torq will require the approval of its shareholders (which are not related to Gold Fields) to proceed with these transactions. Torq expects to convene a meeting of its shareholders to approve the Option Agreement and the transactions contemplated therein to be held in November 2024 if the Option Agreement is executed within the anticipated time frame. The proposed transaction will also be subject to TSX Venture Exchange acceptance.

A Message from Shawn Wallace, CEO & Chair:

"We have been working with Gold Fields on Santa Cecilia since we acquired the asset. We are in agreement with what is needed to unlock the mineral potential of this very exciting asset.

As a strategic investor in Torq, we believe this option with Gold Fields is the best way to advance the project for Torq in the current market conditions. The proposed option terms and intended exploration programme schedule will see significant new investment in the project in a timely manner.

The Option Agreement best positions the Company and its shareholders to capitalize on both the Santa Cecilia Project with a major partner as well as focus on the highly prospective Margarita project where there is encouraging copper and gold grades from surface and excellent access to infrastructure. The Margarita project offers near term, expansive discovery potential that is both near surface and in a favorable location."

Key Terms

The Term Sheet contemplates that Torq will grant to Gold Fields an initial option (the "Stage 1 Option") to

acquire up to a 51% interest in the Santa Cecilia Project as follows:

- Gold Fields must fund an aggregate of US\$18 million of exploration expenditures, property payments and any other direct or allocated expenses related to the project within the first 30 months from formal closing under the Option Agreement;
- Gold Fields must invest at least US\$6 million in connection with the Stage 1 Option (the "Minimum Commitment");
- Gold Fields will receive a 10% interest in the Santa Cecilia Project (the "Initial Interest") upon completing the Minimum Commitment; and
- upon the completion of the Minimum Commitment, Gold Fields will have the option to earn an additional 41% interest in the Santa Cecilia Project upon completion the balance of US\$12 million of exploration expenditures within the balance of the 30-month Stage 1 Option period.

If Gold Fields acquires the Initial Interest but notifies Torq that it does not wish to complete the Stage 1 Option, Torq will have the right to purchase the Initial Interest back from Gold Fields for US\$6 million at any time within 48 months of the date of notification.

If Gold Fields satisfies the Stage 1 Option, it will have a further option (the "Stage 2 Option") to acquire an additional 24% interest in the Santa Cecilia Project by funding an additional aggregate of US\$30 million and the option period will be extended by 42 months (for a cumulative option period of 6 years). If Gold Fields does not complete the Stage 2 Option by the expiry of the option period (as extended) or elects not to complete these expenditures, the Stage 2 Option will terminate and Gold Fields will retain its 51% interest. Gold Fields may choose to make a cash payment to Torq in lieu of any of its Stage 1 or 2 project spending commitments.

Torq and Gold Fields will establish a joint venture for the exploration and development of the Santa Cecilia Project (the "Joint Venture") upon the earlier of:

- completion by Gold Fields of the Minimum Commitment to earn a 10% interest, followed by an election by Gold Fields not to complete the Stage 1 Option;
- having completed the Minimum Commitment and elected to proceed with the completion of the exercise of the Stage 1 Option, Gold Fields fails to complete the exercise of the Stage 1 Option;
- after completing the Stage 1 Option, Gold Fields determining not to proceed with the Stage 2 Option;
- having completed the exercise of the Stage 1 Option and elected to proceed with the exercise of the Stage 2 Option, Gold Fields fails to complete the exercise of the Stage 2 Option; and
- the completion by Gold Fields of the exercise of the Stage 2 Option.

The Joint Venture will be governed by a joint venture agreement to be incorporated within the definitive Option Agreement that will provide for the joint management of the Santa Cecilia Project (the "JVSA"). It is anticipated the JVSA will be governed by Chilean law and provide for customary provisions regarding management of the Santa Cecilia Project through a management committee with voting rights proportional to each party's interests, approval of annual programs and budgets, rights to participate on board-approved programs and budgets, dilution for non-participation, super-majority approval of extraordinary matters, restrictions on transfer and agreements relating to the project operator. Torq will remain as project operator until such time as Gold Fields earns a 51% interest through exercise of the Stage 1 Option. To the extent that a party's interest is diluted to less than 10%, its ownership interest in the Joint Venture will be converted into a 2% net smelter royalty capped at US\$20 million.

Torq's financial advisor for the transaction is Minvisory Corp. and its legal advisors are McMillan LLP. The legal advisors to Gold Fields are Fasken Martineau DuMoulin LLP.

ON BEHALF OF THE BOARD,

Shawn Wallace
CEO & Chair

For further information on Torq Resources, please visit www.torqresources.com or contact the company at (778) 729-0500 or info@torqresources.com.

About Torq Resources

Torq is a Vancouver-based copper and gold exploration company with a portfolio of premium holdings in Chile. The Company is establishing itself as a leader of new exploration in prominent mining belts, guided by responsible, respectful and sustainable practices. The Company was built by a management team with prior success in monetizing exploration assets and its specialized technical team is recognized for their extensive experience working with major mining companies, supported by robust safety standards and technical proficiency. The technical team includes Chile-based geologists with invaluable local expertise and a noteworthy track record for major discovery in the country. Torq is committed to operating at the highest standards of applicable environmental, social and governance practices in the pursuit of a landmark discovery. For more information, visit www.torqresources.com.

Forward Looking Information

This release includes certain statements that may be deemed "forward-looking statements". Forward-looking information in this release includes statements that relate to the entry into of definitive agreements with respect to a joint venture on the Santa Cecilia Project with Gold Fields and the terms thereof and timing therefor, as well as the prospectivity of the Santa Cecilia and Margarita projects for development. These statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different (either positively or negatively) from any future results, performance or achievements expressed or implied by some of the principal forward-looking statements. See Torq's Annual Information Form filed April 29, 2024, at www.sedarplus.ca for disclosure of the risks and uncertainties faced in this business.

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.

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