

Spruce Ridge Resources Signs Implementation Agreement for Consolidation and Spin-out of Crawford Nickel Project to Canada Nickel Company Inc.

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PUSLINCH, November 28, 2019 - Spruce Ridge Resources Limited (TSXV:SHL) ("Spruce Ridge" or "the Company") today announced that further to the letter of intent signed by the Company as announced on October 1, 2019, the Company has entered into the definitive agreement for that transaction on the same basis.

John Ryan, Spruce Ridge President and CEO commented: "We are pleased that Mark Selby will lead Canada Nickel Company to advance the Crawford Nickel-Sulphide project in a dedicated nickel company. Mr. Selby has considerable experience in the global nickel industry, including development of the Dumont Nickel deposit."

"This transaction allows Spruce Ridge to aggressively work the Great Burnt Copper and Gold property in Newfoundland with a plan to carry out an infill drilling program with a view to firming up the resource (see news release dated October 29, 2019 where Spruce Ridge announced an Updated Mineral Resource Estimate) prior to carrying out a planned PEA."

Great Burnt Underground Mineral Resource Estimate at 0.90% CuEq Cut-Off⁽¹⁻⁵⁾

Classification	Total CuEq Mlbs	CuEq %	Cu Mlbs	Au koz	CuEq Mlbs
Great Burnt Deposit					
Indicated	256 256	2.66	32.3	Nil	32.3
Inferred	272 272	2.41	30.4	Nil	30.4
South Pond "A" Deposit					
Indicated	125 125	1.95	6.1	7.1	9.4
Inferred	209 209	1.76	4.9	6.4	7.9
Total					
Indicated	769 769	2.46	38.4	7.1	41.7
Inferred	726 726	2.24	35.3	6.4	38.3

1. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues, although Spruce Ridge is not aware of any such issues.

2. The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

3. The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines.

4. The 0.90% Cu cut-off grade was derived from the September 30/19 respective two year trailing average Cu and Au prices of US\$2.90/lb and US\$1,305/oz, two year trailing average US\$ exchange rate of \$0.77, 92% process recovery, underground mining C\$40/t, processing C\$15/t, G&A \$5/t and smelting/refining C\$10/t.

5. $CuEq\% = Cu\% + (Au \text{ g/t} \times 0.68)$

Transaction Summary

The planned consolidation of the Crawford Nickel-Sulphide Project ("the Project") will be put into effect under the terms of an implementation agreement dated as of November 14, 2019 (the "Implementation Agreement") that has been entered by Canada Nickel Company Inc. ("Canada Nickel"), [Noble Mineral Exploration Inc.](#) ("Noble"), Mark Selby (a principal of Canada Nickel), Spruce Ridge and certain private investors (the "Investors") based on the previous agreed terms in the binding letter of intent announced October 1, 2019.

The net result for Spruce Ridge of the proposed transactions under the Implementation Agreement (the "Transactions") is:

- Canada Nickel will issue 20 million common shares of Canada Nickel to Spruce Ridge, for total consideration valued at \$5 million (applying \$0.25 per share as the value of Canada Nickel Shares issued);
- Noble will issue a \$1 million promissory note and issue to Spruce Ridge 10,000,000 common share units of Noble (each unit comprised of one common share and 1/2 common share purchase warrant, with each full warrant being exercisable at \$0.15 per share for three years);
- Spruce Ridge will issue 2 million common shares to Noble (for a value of \$90,000 applying a value of \$0.045 per share);
- Promptly following the completion of the Arrangement, Noble shall pay Spruce \$1 million in cash in repayment of the \$1 million promissory note issued to Spruce upon termination of the Crawford JV Agreement.
- Noble will transfer the 907ha Crawford VMS assets to Spruce Ridge, subject to Noble retaining a back-in right to a 25% interest and to the right of Spruce Ridge to substitute other VMS properties in Crawford Township, Ontario of the same size; and
- Spruce Ridge will transfer 10 million common shares of Canada Nickel to the Investors (for a value of \$2,500,000 applying a value of \$0.25 per share); and
- Spruce Ridge will issue 10 million units of Spruce Ridge to the Investors, each unit to be comprised of one common share of Spruce Ridge and one-half of a common share purchase warrant of Spruce Ridge (exercisable for three years at \$0.10 per share for a value of \$450,000 applying \$0.045 per Spruce Ridge Unit); and
- Under the Implementation Agreement, Spruce Ridge has also undertaken that it will seek to distribute to its shareholders 5 million of the Canada Nickel shares it will retain after the Crawford JV Agreement and Investor Agreement have been terminated.

Canada Nickel Update

As of November 28th, Canada Nickel has raised \$2.9 million under the \$5 million non-brokered private placement (the "Private Placement") described in Spruce Ridge news release of October 1, 2019. Additional closings are expected to occur on or before the closing of the Arrangement, with the balance of the Private Placement closing afterwards. Upon completion of the Private Placement and the other Transactions under the Implementation Agreement, Canada Nickel will have 50 million shares outstanding and retain \$3 million in cash.

Property Consolidation, Share Distribution & Canada Nickel Qualification as Public Entity

Subject to the receipt of regulatory and shareholder approval, it is expected that the consolidation of the Crawford properties will be completed early in January 2020.

It is expected that Canada Nickel will have 50 million common shares outstanding following the Private Placement and other transactions under the Implementation Agreement. The following table summarizes the holdings of those shares after the distribution of Canada Nickel common shares to the shareholders of Spruce Ridge and Noble:

	Canada Nickel Common Shares
Spruce Ridge	5,000,000 (10%)
Spruce Ridge Shareholders	5,000,000 (10%)
Noble	2,000,000 (4%)
Noble Shareholders	10,000,000 (20%)
Investors	10,000,000 (20%)
Private Placement Group	18,000,000 (36%)
Total	50,000,000 (100%)

Technical material in this news release has been prepared and/or reviewed and approved by Colin Bowdridge, Ph.D., P.Geo., a Qualified Person as defined in National Instrument 43-101

About Spruce Ridge Resources Ltd.

Spruce Ridge holds a 100% interest in the Great Burnt Copper-Gold Property in Central Newfoundland which covers a series of copper ± gold rich VMS deposits. In 2015, Spruce Ridge optioned its Viking/Kramer gold properties in Western Newfoundland to Anaconda Mining Inc. The Company also has a 50% joint venture with Americas Silver and Gold Corporation on property that contains tailings with low grade gold and silver from the Drumlummon Mine in Montana.

For further information please contact:

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Forward-Looking Statements

Neither 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. This News Release includes certain "forward-looking statements" which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the intention to complete the transactions and the expected expenditure of the proceeds of the private placement, and the Company's objectives, goals or future plans. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to an inability to complete the Transactions, failure to identify Mineral Resources, failure to convert estimated Mineral Resources to Mineral Reserves, delays in obtaining or failures to obtain required regulatory, governmental, environmental or other project approvals, political risks, inability to fulfill the duty to accommodate First Nations and other indigenous peoples, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

SOURCE: [Spruce Ridge Resources Ltd.](#)

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