

Loyalist Exploration and Fulcrum Metals Announce Letter of Intent for Major Gold Property Acquisition in the Timmins Mining District

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And Upsize to Non-brokered Private Placement

[Loyalist Exploration Ltd.](#) (CSE:PNGC) ("Loyalist" or the "Company") is pleased to announce that on April 8, 2025, the Company entered into an arm's length binding letter of intent with Fulcrum Metals Plc ("Fulcrum") to acquire (the "Acquisition") the Tully Gold property (the "Property"), located approximately 25 kilometres ("km") northwest of Timmins, Ontario. The Property includes a historical mineral resource of 107,000 ounces (144,000 ounces gold uncapped reported by Francis Minerals Ltd., 2013). The Company also announces the upsizing of it previously announced (February 12, 2025) non-brokered private placement, now consisting of the sale of up to 150,000,000 units of the Company (each, a "Unit"), at a price of \$0.01 per Unit, for gross proceeds of up to \$1,500,000 (the "Offering") (see below).

Tully Property Highlights:

- 458 hectare mining lease
- 25 km northeast of Timmins
- Historical resource estimate of:
 - indicated 358,000 tonnes grading 6.56 g/t gold for 76,000 ounces
 - inferred 184,000 tonnes 5.17 g/t gold for 31,000 ounces
 - total 107,000 ounces (uncapped 144,000 ounces) (see table 1)
- potential for expansion

Completion of the purchase agreement will result in the acquisition of a 100% ownership interest in 1 leased mining claim and 11 unpatented mining claims. These contiguous claims total 458 ha in area. The consideration to Fulcrum of the acquisition of the Property consists of a cash payment of \$500,000, the issuance of approximately 89,255,000 of Loyalist common shares ("Loyalist Shares") (subject to adjustment, as more fully described below), and Fulcrum retaining a 2.0% Net Smelter Royalty ("NSR"), providing Loyalist with an option to buy-back one-half of the NSR for \$1 million. Loyalist will also make additional payments to Fulcrum, upon the achievement of certain milestones, totaling \$100,000 and 30,000,000 Loyalist Shares or the cash equivalent (as more fully described below).

Errol Farr, Loyalist's President & Chief Executive Officer commented, "We are very excited to announce the acquisition of the Tully property, which hosts a significant historical gold resource, numerous high grade drill intersection and is open and along strike. The acquisition of Tully along with the Gold Rush Gold property and the Loveland Nickel/Copper/Gold property, all within the prolific Timmins mining camp, builds on the Company's strategy of becoming a serious mineral exploration and development Company."

Ryan Mee, Chief Executive Officer of Fulcrum, commented, "I am very pleased to announce the signing of the LOI with Loyalist over the highly prospective Tully Gold Project in Timmins, Ontario. This transaction aligns perfectly with our broader strategy to divest exploration assets and focus on the development of our gold tailings projects in Kirkland Lake and the potential commercial opportunities open to us."

"We believe that Tully is a high quality asset that is located in one of the world's most prolific gold districts, and the terms retain significant exposure for Fulcrum in the potential upside through the shareholding and the milestone and royalty structure. I look forward to working alongside Loyalist to closing this transaction."

The Tully Project

Historic Mineral Resource Estimate December 15, 2013 by Francis Minerals Ltd

Tully Deposit *

Model	Classification	Tonnes (*1000)	Grade		
			(Au g/t)		
			Grams Au (*1000) Ounces Au		
Capped	Indicated	358	6.56	2,350	76,000
Capped	Inferred	184	5.17	1,000	31,000
Uncapped Indicated		362	8.70	3,150	101,000
Uncapped Inferred		186	7.17	1,337	43,000

The Tully Project Overview

The Tully Deposit

Tully is located approximately 25 kms northeast of Timmins and includes an historic indicated and inferred Mineral Resource Estimate (not published). The Project is located within the Timmins-Porcupine Gold Camp and is approximately 2 km southwest of the Bradshaw Gold Project of [Gowest Gold Ltd](#). The Timmins-Porcupine Gold Camp, includes the Dome and Hollinger mines.

Prospective structures splay off the Porcupine-Destor Fault through the Tully area. Mineralisation at Tully occurs within a 30 m wide mafic volcanic unit with an approximate west-southwest strike and steep northerly dip. The hanging wall consists of sedimentary rocks and the footwall consists of ultramafic rocks. As currently understood, the deposit comprises an array of shallowly inclined quartz-carbonate veins or lenses stacked 'ladder-style' within the volcanic rocks and constrained by its hanging wall and footwall contacts. The higher-grade core of the deposit extends over 600 m along strike and 400 m down dip, and plunges moderately toward the east-northeast. The mineralised veins/lenses host gold primarily within irregular pyrite clusters and also commonly as free visible gold.

The Tully property occurs within a swampy area and is covered by blanket of glacial drift, averaging 30 m thickness which hid the deposit from early explorers; thus, the geology is entirely derived from drillhole and geophysical data. Exploration by a number of companies over several decades has resulted in the drilling of many holes - the historical resource estimate utilised data from an extensive database of 356 holes totalling 91,623 m, with 718 vein intercepts being interpreted and incorporated into the lens wireframes.

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Loyalist is not treating the historical estimate as current mineral resources or mineral reserves.

The Purchase Agreement

Pursuant to the terms of the LOI, in exchange for a 100% interest in the Tully project, Loyalist will:

1. (a) pay to Fulcrum aggregate cash consideration of \$500,000 upon closing of the Purchase;
1. (b) grant to Fulcrum a 2.0% net smelter returns royalty (the "NSR") on the Claims with an option for Loyalist to re-purchase 50% of the NSR (i.e. 1.0% of the 2.0% NSR) at any time at a price of \$1,000,000; and
1. (c) issue such number of Loyalist Shares to Fulcrum that will result in Fulcrum having ownership of 19.9% of the total issued and outstanding Loyalist Shares after giving effect to the Definitive Agreement, completion of the acquisition of the option to acquire the Gold Rush Property (3,500,000 Loyalist Share, issued) (as announced on March 31, 2025), acquisition of the Loveland property (8,000,000) (as announced on February 27, 2025), and the completion of a total cumulative financing of a minimum of \$1.3 million or more.

Additional Future Consideration

As additional consideration, Loyalist will: (1) pay to Fulcrum an aggregate of CAD \$100,000; and (ii) issue to Fulcrum an aggregate of thirty million (30,000,000) Loyalist Shares or cash in lieu thereof, in whole or in part, at the sole discretion of Loyalist, at a price of CAD\$0.01 per Loyalist Share, in installments upon the achievement of milestones on any part of the Property, as follows:

1. (a) \$100,000 upon the completion of a drilling intercept of at least 6 g/t of gold over 8 meters or equivalent on the Property payable and issuable within sixty (60) days of the announcement of this milestone;
1. (b) 15,000,000 Loyalist Shares, upon filing of a technical report on the Property where a gold resource is re-evaluated (or restated) to a NI 43-101 standard and the total gold resource exceeds 200,000 ounces, payable and issuable within sixty (60) days of the technical report being filed under the Purchaser's profile on SEDAR+;
1. (c) 15,000,000 Loyalist shares, at the time of announcement of a decision to commence construction on the Property, payable within sixty (60) days of such announcement.

Completion of the Acquisition is subject to the receipt of all necessary regulatory approvals, including shareholder approval in the event of the creation of a new control person of Loyalist. All the Loyalist Shares issuable in connection with the Acquisition will be subject to a four month and one day statutory hold period.

Concurrent financing

The Company is also pleased to announce the upsizing of its non-brokered private placement consisting of the sale of up to 150,000,000 units of the Company (each, a "Unit"), at a price of \$0.01 per Unit, for gross proceeds of up to \$1,500,000 (the "Offering").

Each Unit will consist of one (1) Loyalist Share and one (1) Loyalist Share purchase warrant (each, a "Warrant"). Each Warrant will be exercisable into one (1) Loyalist Share (each, a "Warrant Share") at a price of \$0.05 per Warrant Share for a period of thirty-six (36) months following the date of issuance.

In connection with the Offering, the Company may pay finder's fees equal to 8% of the gross proceeds in cash and issue 10% of the total amount of Units issued by the Company under the Financing. One Broker Warrant entitles the holder to acquire one Unit of the Company at the offering price of \$0.01 per Unit (the "Offering Price") under the Financing for a period of five (5) years from the closing date of the Financing.

The proceeds derived from the sale of the Units will be for the acquisition of the Gold Rush Property, the Loveland Property and the Tully Property (total \$775,000), exploration expenditures (\$200,000) as well as general working capital purposes.

Certain insiders of Loyalist may participate in the Offering, which would constitute a "related party transaction", as such term is defined in Multilateral Instrument 61-101 - Protection of Minority Shareholders in Special Transactions ("MI 61-101"). The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the acquired securities by such insiders will not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

All of the securities issued and issuable in connection with the Offering will be subject to a hold period expiring four months and one day after the date of issuance of the securities. Completion of the Offering is subject to the receipt of all required regulatory approvals, including the approval of the Canadian Securities Exchange (the "Exchange").

The securities offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration requirements. This release does not constitute an offer for sale of securities in the United States.

It is anticipated that the first closing of the Offering will occur on or about April 30, 2025, with a final closing no later than June 30, 2025.

Statement Regarding Historical Mineral Resource Estimates

The Tully deposit historical Mineral Resource Estimate ("MRE") is unclassified and does not comply with CIM Definition Standards on Mineral Resources and Mineral Reserves as required by NI 43-101. The MRE was taken from a report titled "Tully Deposit Mineral Resource Estimate" authored by Francis Minerals Ltd. and dated December 15, 2014. Investors are cautioned not to treat the estimate as current or rely on the estimate in making an investment decision. The MRE is being included herein to provide shareholders with background on the rationale for acquiring the asset. A qualified person has not done sufficient work to classify this historical MRE as current mineral resources and the Company is not treating this historical MRE as a current estimate. It is uncertain whether following evaluation and/or further exploration, the historical MRE will ever be able to be reported in accordance with NI 43-101. The Company has no current plans to undertake the work to bring the MRE up to the CIM reporting standards.

Qualified Person

Stephen Balch, P.Geo., independent director for Loyalist, who is a "Qualified Person" as defined by NI 43-101, has reviewed and approved the technical content of this press release.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) have reviewed or accept responsibility for the adequacy or accuracy of this release.

About Loyalist Exploration Limited

Loyalist Exploration Limited is a mineral exploration company concentrating on acquiring, exploring, and developing quality mineral properties in Canada. The Company is focused on the Loveland nickel/copper/gold property and the recently announced Gold Rush gold/silver property, both located in the Timmins, Ontario mining district.

For further information please visit the Company's website at loyalistexp.ca or contact:

Loyalist Exploration Limited

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This news release contains "forward-looking information" (within the meaning of applicable Canadian securities laws) and "forward-looking statements" (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995). Such statements or information are identified with words such as "anticipate", "believe", "expect", "plan", "intend", "potential", "estimate", "propose", "project", "outlook", "foresee" or similar words suggesting future outcomes or statements regarding an outlook and include statements regarding the planned completion of the acquisitions of the Tully, Loveland and Gold Rush properties and the proposed work on the projects, and the concurrent financing of units. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to the Company's inability to complete the financings necessary to complete the acquisitions of the Tully and Loveland properties, the Company's inability to complete the acquisitions of the Tully and Loveland properties on the timelines anticipated or at all, failure to identify mineral resources, failure to convert estimated mineral resources to reserves, the inability to complete a feasibility study which recommends a production decision, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required 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, an inability to complete the Offering on the terms or on the timeline as announced or at all, capital market conditions, restriction on labour and international travel and supply chains, and those risks set out in the Company's public documents filed on SEDAR+. Although the Company believes that the expectations reflected in the forward-looking information or statements are reasonable, prospective investors in the Company's securities should not place undue reliance on forward-looking statements because the Company can provide no assurance that such expectations will prove to be correct. Forward-looking information and statements contained in this news release are as of the date of this news release and the Company assumes no obligation to update or revise this forward-looking information and statements except as required by law.

* Notes

1. CIM Definitions were followed for classification of Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of 2.5g/t Au.
3. Mineral Resources are estimated at a gold price of \$1,510 and a metallurgical recovery of 92%.
4. High grade assays are capped at 70g/t Au.
5. Bulk density of 2.71 t/m³ as used.
6. Numbers may not add due to rounding.

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