

Blackrock Gold Corp

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Blackrock Gold inks transformative deal to acquire Tonopah West project in Nevada

Blackrock Gold Corp (CVE:BRC) is beefing up its land position in Nevada through a deal for the historic Tonopah West project.

The Vancouver-based company announced Tuesday it signed a four-year purchase option with Ely Gold Royalties Inc to consolidate the West End and Tonopah Extension properties into the Tonopah West project for US\$3 million.

The deal gives Blackrock control over the largest claim package in the area and a major foothold in the Tonopah district, which has produced over 174 million ounces of silver and 1.8 million ounces of gold.

READ: Blackrock Gold keen to explore further at Silver Cloud as it announces C\$1.5M placing

Tonopah West consists of 98 patented and 17 unpatented lode mining claims covering around 4.5 square kilometres or 1,100 acres of land.

Blackrock will have consolidated for the first time in decades a leading land package in what is one of the most significant silver-gold districts in North America, its CEO Andrew Pollard told shareholders.

"Blackrock now holds the keys to the largest package of claims that make up the famed Tonopah silver district since Howard Hughes held them in the late 1960s," Pollard said in a statement.

"These claims contributed to the historic production that made Tonopah the second largest silver district in Nevada, behind only the Comstock Lode, and provides Blackrock with multiple compelling drill-ready targets to explore."

With the addition of the consolidated Tonopah West package to our Silver Cloud project, Blackrock will have strategic interests in two prolific low-sulphidation epithermal districts in Nevada, according to Pollard. The new brownfield, or previously explored, claims represent "low-hanging exploration fruit", while the greenfield Silver Cloud project provides investors with a compelling blue-sky opportunity.

"With a presence on both the Walker Lane and the Northern Nevada Rift, these two strategic projects provide Blackrock with a significant position on two prolific gold and silver belts in Nevada," Pollard said.

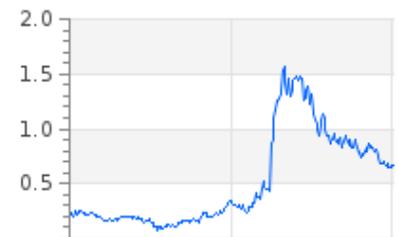
Blackrock plans to target four areas on the property where historic data points to a possible 2.5 million- to 6.5 million-ton deposit with grades ranging from 13 to 21 grams per ton gold and gold equivalent. Drilling in 2018 returned results of 1.5 metres zones grading 9.7 g/t gold, 715 g/t silver and 4.6 g/t gold, 401 g/t silver.

Under the terms of the deal, Blackrock's US subsidiary is acquiring the option to purchase Tonopah West through an agreement that sees the company paying US\$325,000 upon closing, with an additional US\$325,000 on the first anniversary, US\$650,000 on the second anniversary, US\$700,000 on the third and US\$1 million on the fourth

Price: 0.67

Market Cap: \$69.76 m

1 Year Share Price Graph



December 2019 June 2020 December 20

Share Information

Code: BRC

Listing: TSX-V

52 week High Low
1.61 0.07

Sector: Exploration & Production

Website: blackrockgold.ca

Company Synopsis:

Blackrock Gold Corp. is a discovery driven junior exploration company focused on uncovering the next big economic gold deposit. Anchored by a seasoned Board, the Company is focused on blue-sky opportunities, with an aim to acquiring large-scale, packages of land that are in prolific gold belts within stable jurisdictions.

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anniversary.

Ely's subsidiary Nevada Select Royalty, which owns Tonopah West, will retain a 3% net smelter return royalty on all mineral production. There is no work commitment on the deal, meaning Blackrock is not required to conduct any activity on the property.

Nevada Select Trust must complete the acquisition of the Cliff ZZ land package, which consist of 75 patented lode mining claims on or before March 28th before any funds change hands. The 75 claims are included as part of the overall deal.

The transaction is expected to close on or before April 1, 2020 subject to regulatory approval.

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