

Blackrock Gold Corp.

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Blackrock Gold outlines path to full ownership at Silver Cloud project with amended lease terms

Blackrock Gold Corp (CVE:BRC) is hailing an amended agreement on its Silver Cloud project in Nevada that will allow the company to save nearly US\$175,000.

In a note to investors on Monday, the junior explorer said it had renegotiated its lease agreement with Pescio Exploration LLC on 552 mining claims in Elko, Nevada.

The new terms reduce Blackrock's initial payments to Pescio by \$25,000 in 2019, and \$50,000 per year from 2020 to 2022. Additionally, the revised agreement includes a full buyout option for Blackrock on Silver Cloud.

READ: Blackrock Gold unveils plans for Silver Cloud exploration
In return, Blackrock agreed to extend its commitment on the project through at least 2022 and a small reduction to the existing royalty buydown, it said in a statement. The company also agreed not to credit cumulative lease payments against future royalty obligations.

Calling the new changes a "major win" for Blackrock and its investors, CEO Andrew Pollock said that the addition of a buyout option is the first granted on this project since it was staked in 1999 and subsequently leased to Teck. "We now stand to save millions of dollars in upfront, out of pocket, and perpetual costs, should we elect to exercise," he added.

This buyout option affords Blackrock the opportunity to "control its own destiny," Pollock said, should exploration efforts prove fruitful, and provides added certainty to investors now that the junior company has a defined path to ownership.

The agreement also includes a provision for Blackrock to conduct a minimum of 25,000 feet of drilling at Silver Cloud by October 2022, otherwise the company will be subject to a penalty amounting to \$50 per foot of undrilled footage.

Blackrock's shares slipped 5.3% at C\$0.09 on Monday morning in Toronto, and 18.1% on OTC markets to US\$0.06.

Contact Angela at angela@proactiveinvestors.com

Follow her on Twitter @AHarmantas

Price: C\$0.14

Market Cap: C\$6.88M

1 Year Share Price Graph



Share Information

Code: BRC

Listing: TSX-V

52 week High Low
C\$0.16 C\$0.03

Sector: Mining

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.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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