

Kirkland Lake Gold Inc.

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Bonterra Resources shares higher as gold producer Kirkland Lake Gold increases stake

Bonterra Resources Inc (CVE:BTR) shares rose on Thursday following news mining giant Kirkland Lake Gold Ltd (TSE:KL) (NYSE:KL) has boosted its stake in the Canadian gold explorer which recently closed a C\$32 million financing to fund ongoing exploration at its Quebec assets.

In late afternoon trading in Toronto, shares in Bonterra were 3.4% higher at C\$2.43.

In a statement, the company said that Kirkland Lake - which has a market capitalization of over C\$12 billion - acquired a further 2 million units of Bonterra at C\$2.50 each for a total cash payment of C\$5 million. Each unit consists of one share and one-half of one warrant entitling the gold producer to acquire an additional share at C\$3.10 until August 20, 2021.

The gold producer, which is also backed by mining impresario Eric Sprott, increased its holdings in Bonterra to around 11.3% or 8.5 million shares from 10.2% or 6.5 million shares. Sprott owns around 5.2 million shares of Bonterra, or just over 8% of the company.

READ: Bonterra Resources raises C\$32 million to bolster Quebec projects
Kirkland Lake Gold has a long-term view of the investment, it said in the statement.

Bonterra has been advancing its gold projects in Quebec, which include the Gladiator, Barry and Moroy deposits as well as significant regional targets. It also has 100% ownership of the Urban-Barry Mill, the only permitted gold mill in the region.

Recent drilling at the Gladiator and Barry projects in Quebec intersected high-grade gold.

Drilling at Gladiator revealed intercepts of 18.5 grams per ton gold (g/t) over 3 metres in one hole, while another hit 13 g/t gold over 3 metres. At Barry, one drill hole intersected 11.6 g/t gold over 2.9 metres, extending the zone more than 50 metres to the west.

-- Adds share price --

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Share Information

Code:	KGI
Listing:	TSX
Sector:	Gold & silver
Website:	www.klgold.com

Company Synopsis:

Kirkland Lake Gold Inc. is an operating and exploration gold company located in Kirkland Lake, ON in the Southern Abitibi gold belt. In 2001, the Company acquired 13,000 acres of five contiguous formerly producing gold mines, which had historically produced 21 million ounces of gold grading 15. 1 grams per ton (0. 44 ounces per ton) primarily from the Main'04 Break system.

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