

Magna Terra Agrees To Sell Minority Interest in Verneuil Project to SOQUEM As the Company Continues To Focus on Its Atlantic Canada Gold Projects

19.08.2021 | [ACCESS Newswire](#)

TORONTO, August 19, 2021 - [Magna Terra Minerals Inc.](#) (the "Company" or "Magna Terra") (TSXV:MTT) is pleased to announce that it has entered into a Letter of Intent (the "Agreement") to sell its minority interest in the Verneuil Project ("Verneuil") to SOQUEM Inc. ("SOQUEM"). Verneuil has been governed by an Option and Joint Venture Agreement signed in 1997 between SOQUEM and [Normabec Mining Resources Ltd.](#) ("Normabec"). Subsequently, in 2009, Brionor Resources Inc. (a predecessor company to Magna Terra) assumed the Verneuil option, pursuant to an asset purchase agreement with Normabec. Verneuil is a non-core asset in Magna Terra's exploration property portfolio, and thus the Company did not participate in recent exploration programs conducted by SOQUEM, resulting in its ownership position in the joint venture being diluted down to its current 32.778% undivided interest.

Transaction Highlights

- Magna Terra will receive a \$100,000 cash payment on closing;
- The Company will also receive a Net Smelter Royalty ("NSR") on the project of 0.5%, that is purchasable at any time for a cash payment of \$250,000; and,
- Closing is subject to the execution of a Definitive Purchase and Sale Agreement, and is expected to close on or before September 10, 2021.

"We are pleased to monetize this non-core piece of our extensive exploration portfolio, and it allows SOQUEM the maximum flexibility to advance Verneuil going forward, which is an ideal outcome for both parties. This transaction continues to allow Magna Terra to focus on its high-potential projects in Atlantic Canada while also providing continued value for shareholders through vending or partnering non-core assets. The proceeds of the sale of these non-core assets will be utilized to partially pay for our interest in core property assets."

~ Lew Lawrick, President and CEO, Magna Terra Minerals

Payments for Exploration Option Agreements

Magna Terra continues to focus on projects in Atlantic Canada and accordingly has elected to continue to earn into several option agreements that it holds on the Cape Spencer and Great Northern Projects for 2021 and 2022.

Under the terms of the Cape Spencer option agreement, the Company can earn a 100% interest in the Cape Spencer Property by paying the Optionors a total of \$300,000 in cash and \$145,000 in milestone payments based on certain exploration activities in cash or equivalent value shares over a five-year period ending August 9, 2023. The Company has paid the third anniversary cash payment of \$50,000 and will issue a total of 150,376 common shares of the Company in relation to the \$20,000 milestone payment due upon the completion of 2,000 metres of diamond drilling at the Cape Spencer Property (subject to regulatory approval).

Under the terms of the Rattling Brook option agreement, the Company can earn a 100% interest in the Rattling Brook Property by paying the Optionor a total of \$45,000 (comprised of \$30,000 in cash and \$15,000 in cash and/or equivalent value shares) over a two-year period (refer to the press release dated August 31, 2020). The Company has paid \$11,794 in cash and will issue a total of 21,505 common shares of the Company in relation to the payments due on the first anniversary of the agreement.

Under the terms of the Armstrong option agreement, the Company can earn a 100% interest in the Armstrong Property by paying the Optionor a total of \$90,000 (comprised of \$45,000 in cash and \$45,000 in cash and/or equivalent value shares) over a three-year period (refer to the press release dated August 31, 2020). The Company has paid \$6,806 in cash and will issue a total of 21,505 common shares of the Company in relation to the payments due on the first anniversary of the agreement.

Under the terms of the Marigold option agreement, the Company can earn a 100% interest in the Marigold Property by paying the Optionor a total of \$200,000 (comprised of \$95,000 in cash and \$105,000 in cash and/or equivalent value shares) over a four-year period (refer to the press release dated August 31, 2020). The Company has paid \$15,181 in cash and will issue a total of 64,516 common shares of the Company in relation to the payments due on the first anniversary of the agreement.

All share issuances contemplated above will be based on the 20-day volume weighted average price on the date a payment is due under the above-mentioned agreements and the Company elects to make such payment in common shares. Furthermore, the common shares which may be issued under the above-mentioned agreements will be subject to a regulatory 4 month hold period from their date of issuance.

About Magna Terra

[Magna Terra Minerals Inc.](#) is a precious metals focused exploration company, headquartered in Toronto, Canada. Magna Terra owns three district-scale, advanced gold exploration projects in the world class mining jurisdictions of New Brunswick and Newfoundland and Labrador. Further, the Company maintains a significant exploration portfolio in the province of Santa Cruz, Argentina which includes its precious metals discovery on its Luna Roja Project, as well as an extensive portfolio of district-scale drill ready projects available for option or joint venture.

About SOQUEM

SOQUEM, a subsidiary of Investissement Québec, is dedicated to promoting the exploration, discovery, and development of mining properties in Quebec. SOQUEM also contributes to maintaining strong local economies. A proud partner and ambassador for the development of Quebec's mineral wealth, SOQUEM relies on innovation, research, and strategic minerals to be well-positioned for the future.

Forward-Looking Statements

Neither the 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.

Cautionary Statements Regarding Forward-Looking Information

Some statements in this release may contain forward-looking information. All statements, other than of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding potential mineralization) are forward-looking statements. Forward-looking statements are generally identifiable by use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's ability to control or predict, that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, without limitation, failure to establish estimated mineral resources, the possibility that future exploration results will not be consistent with the Company's expectations, changes in world gold markets or markets for other commodities, and other risks disclosed in the Company's public disclosure record on file with the relevant securities regulatory authorities. Any forward-looking statement speaks only as of the date on which it is made and except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement.

FOR FURTHER INFORMATION PLEASE CONTACT:

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SOURCE: [Magna Terra Minerals Inc.](#)

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