

CORRECTION FROM SOURCE; Electric Royalties To Acquire 0.75% GRR on Producing Tin-Tantalum Mine in Spain

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VANCOUVER, November 16, 2022 - This news release contains amendments to the paragraph below the Financing section heading, and the year production commenced at the Penouta Mine. Complete corrected text follows:

[Electric Royalties Ltd.](#) (TSXV:ELEC) (OTCQB:ELECF) ("Electric Royalties" or the "Company") is pleased to announce the signing of an agreement with Strategic Minerals Europe Corp. (NEO: SNTA) (OTCQB: SNTAF) ("Strategic Minerals") to acquire a newly granted 0.75% Gross Revenue Royalty (the "0.75% GRR") on the producing Penouta tin-tantalum mine in Spain (the "Project" or "Penouta") in exchange for a cash payment of C\$1,000,000 and 500,000 common shares of Electric Royalties. In addition, the Company will have an option for a period of 7 months from closing to acquire an additional 0.75% GRR (the "0.75% Option GRR") on Penouta in exchange for an additional cash payment of C\$1,250,000. The royalty rates will be reduced to 0.5% respectively once certain minimum royalty payments have been made.

Brendan Yurik, CEO of Electric Royalties commented: "We are tremendously excited about adding this producing tin-tantalum royalty to our metals portfolio. The Penouta Mine is currently the largest tin and tantalum producer in all of Europe¹. The operations team at Strategic Minerals has a proven track record of building and operating mines. Penouta has been steadily increasing production since the start of 2022. The mine's best quarter was in September with production of 80 tonnes of primary concentrate of tin and tantalum. Our capital is expected to be well utilized for mine improvements, as well as allowing Strategic Minerals to potentially add additional revenue streams from Penouta.

"We're delighted to partner with Strategic Minerals on this royalty financing and to get our first cash flow exposure to tin. Commodity research firm Roskill forecasts that total market demand for refined tin will exceed 515 kilotonnes by 2030, most of it accounted for by electronic and industrial solder (40%), and also the substantial rise of lithium-ion batteries (9%). Demand increases will require substantial amounts of new refined supply, requiring additional tin feedstock sources²."

Penouta Tin-Tantalum Royalty Acquisition Highlights

- Europe's biggest producer of tin and tantalum.
- Proven operations team with a track record of successfully building and operating mines.
- September production of 66 tonnes of cassiterite concentrate with a tin content of 70.2% and 14 tonnes of tantalite/columbite concentrate containing 25.5% tantalite and 24.8% columbite.
- Q2 2022 revenues of US\$4.7 million, a significant increase year over year. Adjusted EBITDA reached US\$1.2 million or 25.8% as a percentage of sales for the second quarter³.
- Additional potential opportunities to add new revenue streams from high-grade feldspar and rare earths extraction from historical tailings.
- Long potential mine life based on total measured and indicated resources of 76.3 million tonnes (see Table 1).

Penouta Mine Overview

The Penouta Mine is located in the north-western Spanish province of Ourense. The project has been mined since Roman times, with small underground workings following mineralized quartz veins within the leucogranite. In the early 1900s, a small mining lease was granted, primarily for kaolin, followed by a number of other mining leases in the area. The Penouta Mine was operated by a previous owner between 1976 and 1982, extracting cassiterite and tantalum mineralization by open pit methods.

Table 1: Pit-constrained SRK Mineral Resource Statement for the Penouta tin-tantalum hard rock deposit,

effective date March 5, 2021⁴.

Category	Tonnes (Mt)	Grade			Metal		
		Ta2O5 Eq (ppm)	Tin (ppm)	Tantalum (ppm)	Ta2O5 (ppm)	Tin (kt)	Tantalum (kt)
Measured	7.6	184	600	85	103	4.6	0.6
Indicated	68.6	145	426	72	88	29.2	4.9
Total Measured & Indicated	76.3	149	443	73	89	33.8	5.6
Inferred	57	129	389	62	76	22	4

Notes:

1. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
2. All figures are rounded to reflect the relative accuracy of the estimate; numbers may not add up due to rounding.
3. The standard adopted in respect of the reporting of Mineral Resources for the Project is in accordance with the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves (CIM Code).
4. SRK reasonably expects portions of the Penouta deposit to be amenable to open pit mining methods. Open pit Mineral Resources are constrained to within a Whittle optimized pit and reported based on a Ta2O5Eq Resource cut-off which considers processing costs and G&A costs totalling US\$7.79/t. Pit slope angles were set to 45 degrees.
5. Resources are reported at an open pit cut-off grade of 60 ppm Ta2O5Eq.
6. Cut-off grades are based on a price of US\$178/kg and recoveries of 75% for Ta2O5, and US\$24/kg and recoveries of 75% for tin.
7. It is reasonably expected, but not guaranteed, that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
8. Inferred Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves.

In January 2022, Strategic Minerals re-commenced open pit production of tin and tantalum and in June 2022, it received an exploitation permit to mine for 30 years, renewable for up to 75 years. The mineral concentrate contains approximately 70% tin (cassiterite) and 30% tantalum. In September, the company achieved the highest monthly production levels of the year (see Table 2).

Table 2: Penouta Mine production, Q2 2021 to September 2022.

	Q2 2021	Q2 2022	July 2022	August 2022	Sept 2022
Total Concentrate (tonnes)	107.0	181.7	63.1	63.0	80.2
Cassiterite (tonnes)	80.0	153.3	54.8	53.1	66.2
Tin %	63.7	71.2	70.6	70.8	70.2
Tantalite / Columbite (tonnes)	27.0	28.4	8.3	9.9	14.0
Tantalite (%)	15.5	23.0	22.3	25.5	25.5
Columbite (%)	16.7	23.0	24.7	26.8	24.8

Acquisition Terms

Electric Royalties is acquiring the 0.75% GRR on the Penouta tin-tantalum mine for a total consideration of C\$1,000,000 cash and 500,000 common shares of the Company ("Consideration Shares"). Upon receiving C\$1,666,667 in royalty revenues from the 0.75% GRR, the royalty rate will be reduced to a 0.5% GRR. Electric Royalties will also have the option for a period of 7 months to acquire an additional 0.75% Option

GRR in exchange for C\$1,250,000 cash. Assuming exercise of the option, upon payment of C\$1,667,666 in royalty revenues from the 0.75% Option GRR, the Option GRR rate will be reduced to 0.5%.

The transaction noted herein is subject to completion of due diligence, approval of the TSX Venture Exchange and other customary conditions.
Financing

The Company has entered into a financing commitment, to be drawn at the election of the Company, with a significant shareholder of the Company. The commitment is C\$2 million convertible loan facility with a term of 3 years, bearing interest at 15%, with interest payments capitalized into the principal and due at the end of the loan term. At the discretion of the shareholder, after six months from the initial drawdown the loan is convertible into common shares of Electric Royalties at the greater of C\$0.50 per share or a 100% premium above the 30-day VWAP of the Company's shares on the TSX Venture Exchange at the time of each advance. The funds, if required, would be used to fund the cash portion of the acquisition payment for the producing Penouta royalty and other royalty acquisitions, and will be secured over Electric Royalties' interest in that royalty and any other royalty acquired using funds from this loan facility. This loan facility is subject to the approval of the TSX Venture Exchange, the completion of loan documentation and other customary closing conditions.

David Gaunt, P.Geo., a Qualified Person who is not independent of Electric Royalties, has reviewed and approved the technical information in this release.

¹ Strategic Minerals Europe Corp. website <https://www.strategicminerals.com/what-we-do/#penouta-mine>

² Roskill report "Tin: Outlook to 2030 (12th Edition)".

³ Strategic Minerals Europe Corp. condensed interim consolidated financial statements for the three and six months ended June 30, 2022 and 2021.

⁴ Further information is available in a NI 43-101 technical report by SRK on the Strategic Minerals Europe Corp. profile at www.sedar.com.

About Strategic Minerals Europe Corp.

Strategic Minerals' wholly-owned subsidiary, Strategic Minerals Spain, S.L. ("SMS"), produces, identifies, explores, and develops mineral resource properties critical to the green economy, predominantly in Spain. SMS holds permits and a production license for the Penouta Project, and an investigation permit at the Alberta II Project, allowing it to conduct exploration work already underway. SMS is the largest producer of cassiterite concentrate and tantalite in the European Union and has been recognized within the EU as an exemplary company of good practices in the circular economy. The Company is well-positioned as a major producer of sustainable and conflict-free tin, tantalum and niobium and is exploring for lithium. Strategic Minerals is a "reporting issuer" under applicable securities legislation in the provinces of British Columbia, Alberta and Ontario.

About Electric Royalties Ltd.

Electric Royalties is a royalty company established to take advantage of the demand for a wide range of commodities (lithium, vanadium, manganese, tin, graphite, cobalt, nickel, zinc and copper) that will benefit from the drive toward electrification of a variety of consumer products: cars, rechargeable batteries, large scale energy storage, renewable energy generation and other applications.

Electric vehicle sales, battery production capacity and renewable energy generation are slated to increase significantly over the next several years and with it, the demand for these targeted commodities. This creates a unique opportunity to invest in and acquire royalties over the mines and projects that will supply the materials needed to feed the electric revolution.

Electric Royalties has a growing portfolio of 20 royalties, including one royalty that currently generates revenue. The Company is focused predominantly on acquiring royalties on advanced stage and operating projects to build a diversified portfolio located in jurisdictions with low geopolitical risk, which offers investors

exposure to the clean energy transition via the underlying commodities required to rebuild the global infrastructure over the next several decades towards a decarbonized global economy.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange), nor any other regulatory body or securities exchange platform, accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statements Regarding Forward-Looking Information and Other Company Information
This news release includes forward-looking information and forward-looking statements (collectively, "forward-looking information") with respect to the Company within the meaning of Canadian securities laws. This news release includes information regarding other companies and projects owned by such other companies in which the Company holds a royalty interest, based on previously disclosed public information disclosed by those companies and the Company is not responsible for the accuracy of that information, and that all information provided herein is subject to this Cautionary Statement Regarding Forward-Looking Information and Other Company Information. Forward looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. This information represents predictions and actual events or results may differ materially. Forward-looking information may relate to the Company's future outlook and anticipated events and may include statements regarding the financial results, future financial position, expected growth of cash flows, business strategy, budgets, projected costs, projected capital expenditures, taxes, plans, objectives, industry trends and growth opportunities of the Company and the projects in which it holds royalty interests.

While management considers these assumptions to be reasonable, based on information available, they may prove to be incorrect. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or these projects to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; future legislative and regulatory developments involving the renewable energy industry; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the mining industry generally, the Covid-19 pandemic, recent market volatility, income tax and regulatory matters; the ability of the Company or the owners of these projects to implement their business strategies including expansion plans; competition; currency and interest rate fluctuations, and the other risks.

The reader is referred to the Company's most recent filings on SEDAR as well as other information filed with the OTC Markets for a more complete discussion of all applicable risk factors and their potential effects, copies of which may be accessed through the Company's profile page at www.sedar.com and at otcm Markets.com.

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