

Nova Royalty Corp. To Increase Royalty Interest On Hudbay's World Class Copper World Complex

23.05.2023 | [CNW](#)

VANCOUVER, May 23, 2023 - [Nova Royalty Corp.](#) ("Nova" or the "Company") (TSXV: NOVR) (OTCQB: NOVRF) is pleased to announce that it has entered into an agreement (the "Agreement") with arm's length private parties (the "Sellers") pursuant to which Nova will acquire an additional 0.12% net smelter return ("NSR") royalty (the "Additional Royalty"), on the Copper World Complex ("Copper World") located in Arizona, USA, owned by [Hudbay Minerals Inc.](#) ("Hudbay") (TSX: HBM) (NYSE: HBM), (the "Transaction"). Nova's consolidated royalty position will be a 0.285% NSR on Copper World upon closing. Nova retains a right of first refusal in respect of an additional 0.390% NSR held by the Sellers, upon completion of the Transaction.

Hashim Ahmed, Nova's Interim CEO, commented, "We are pleased to increase our NSR royalty once again on Hudbay's Copper World project. Copper World is a large-scale, premier copper development asset located in one of the United States' most strategic copper districts. We are encouraged by the progress that Hudbay has made as it continues to steadily advance Copper World toward a construction decision. Gaining additional royalty exposure to a long-lived asset such as Copper World further strengthens Nova's portfolio of high-quality copper and nickel royalties."

Copper World Highlights ⁽¹⁾⁽²⁾

- World Class Deposit - Nova increases its exposure to a Tier-1 copper project with Phase I expected average annual copper production of approximately 86,000 tonnes with first-quartile cash costs and sustaining cash costs positioning of \$1.15 and \$1.44 per pound of copper, respectively.
- Significant Mine Life - Phase I standalone operation on private land and patented mining claims over a 16-year mine life with expanded Phase II mine life of 44 years on federal lands.
- Top Jurisdiction - Copper World is expected to be one of the next major copper operations in the United States, delivering the copper needed to meet domestic electrification and decarbonization supply chain needs.
- Major Operator - Hudbay (C\$1.7 billion market capitalization) is an established mining company with a proven ability to discover, finance, build and operate low-cost, long-life, cash-generating assets.
- Near-Term Production - Hudbay expects potential project sanction decision in 2024, with three-year build timeline.

Transaction Details

The Additional Royalty has the same characteristics as the 0.165% royalty on Copper World already owned by Nova and covers all metals, including copper, molybdenum, silver, and gold extracted from the majority of mining claims covering Copper World. The aggregate purchase price for the Transaction is \$5,600,000 and will be paid as follows:

- \$1,360,000 in cash, payable upon closing of the Transaction;
- \$680,000 in common shares of Nova (the "Consideration Shares"), payable upon closing of the Transaction;
- \$600,000 in cash, payable 12 months after closing of the Transaction; and
- \$2,960,000 in cash, payable at the later of: (i) 12 months following the announcement of the commencement of production from the Royalty Area; and (ii) the receipt by Nova of the first three payments under the Royalty.

The number of Consideration Shares to be issued in connection with the Transaction will be based on the 20-day volume weighted average trading price on the TSX Venture Exchange ("TSXV") of Nova's common shares prior to the date of signing of the Definitive Agreement.

Transaction Financing

Nova also announces that it intends to finance the initial cash payment of the Transaction through its existing amended and restated convertible loan facility with Beedie Capital (the "Beedie Capital Facility"), the terms of which are disclosed in the Company's news releases dated February 10, 2021 and March 13, 2023. The Company currently has C\$15.5 million undrawn on the Beedie Capital Facility for making additional investments subject to the closing conditions.

The transactions disclosed in this news release are subject to the acceptance of the TSXV.

About Nova

[Nova Royalty Corp.](#) is a copper and nickel focused royalty company. Nova has assembled a portfolio of royalties on a significant proportion of the next generation of major copper projects located in 1st-tier jurisdictions, providing investors exposure to some of the most critical resource assets for the clean energy transition. These projects are being advanced by the world's premier mining companies, which include First Quantum, Lundin Mining, Hudbay, Anglo American and Glencore, among others. The Company is headquartered in Vancouver, British Columbia and is listed on the TSX Venture Exchange under the trading symbol "NOVR" and on the US OTCQB under the trading symbol "NOVRF".

On Behalf of [Nova Royalty Corp.](#),

(signed) "Hashim Ahmed"
Interim Chief Executive Officer
Phone: (647) 970-4113

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Notes:

- (1) Refer to Hudbay's NI 43-101 Technical Report entitled "Preliminary Economic Assessment Copper World Complex, Pima County, Arizona USA" prepared by Olivier Tavchandjian P.Geo, Vice-President, Exploration and Technical Services, Hudbay. Effective as of May 1, 2022 and filed July 14, 2022.

Qualified Person

- (2) Refer to Hudbay Minerals' Presentation titled "Copper World Complex 2022 PEA Presentation". Dated June 16, 2022. The information contained in this press release originates in the public disclosure set out above and has been reviewed and approved by Christian Rios, AIPG Certified Professional Geologist, Advisor to Nova and a Qualified Person as defined in NI 43-101.

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation. The forward-looking statements herein are made as of the date of this press release only, and the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information in this press release includes, but is not limited to, exploration and expansion potential, production, recoveries and other anticipated or possible future developments on the Copper World project, current commodity prices, the payment frequency of the Additional Royalty, current and potential future estimates of mineral reserves and

resources; future commercial production from the Copper World project or other designated areas; and the attainment of any required regulatory approval to the acquisitions of the Additional Royalty and the drawdown on the Beedie Capital Facility. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of Nova to control or predict, that may cause Nova's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including, but not limited to, the risk factors set out under the heading "Risk Factors" in the Company's annual information form dated March 23, 2023 available for review on the Company's profile at www.sedar.com. Such forward-looking information represents management's best judgment based on information currently available. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

SOURCE [Nova Royalty Corp.](#)

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<https://www.minenportal.de/artikel/503565--Nova-Royalty-Corp.-To-Increase-Royalty-Interest-On-Hudbayund039s-World-Class-Copper-World-Complex.html>

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