

Lion Rock Enters into Letter Of Intent to Acquire Volney Lithium Project in the Black Hills

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Vancouver, January 30, 2024 - [Lion Rock Resources Inc.](#) (TSXV: ROAR) (FSE: KGB) (the "Company" or "Lion Rock") is pleased to announce that it has entered into a non-binding letter of intent (the "LOI") with Tinton Partners, LLC (the "Tinton Partners") to acquire the Volney Lithium Project, strategically located in the northern Black Hills of South Dakota (Figure 1). The Volney Lithium Project is comprised of 114 private land claims extending over 510 ha which is host to the historic Giant Volney pegmatite.

Figure 1. Lion Rock Resources' Volney Lithium Project map in the Black Hills, South Dakota.

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/8985/196199_ced41a7034a02a3d_001full.jpg

Project Highlights

- The Volney Lithium Property (the "Property"). The Property is 510 ha in the Northwestern district of the Black Hills known as Tinton. Historic pegmatites on the property comprise of seven discrete pegmatite bodies ranging from 10 to 23 m wide, converging to the south to form a single large lithium-rich pegmatite, the Giant Volney, over a known strike length of 635 m at surface (Figure 2).^[1] None of the known pegmatites have been drilled below a depth of 50 m. There are 9 claims within the traditional boundaries of the Property which are excluded from the Property (the "Carve Out Property").
- Property Geology. Tinton pegmatite camp in the northern Black Hills is underlain by a domal inlier exposing a late Neoarchean greenstone-supracrustal belt heavily invaded by a swarm of 2.61 to 2.48 Ga rare metal pegmatites. The pegmatites at Tinton belong to the same global superswarm of major lithium pegmatites formed at the end of the Archean.^[2] The pegmatites were historically mined for Tin with limited investigation into the LCT pegmatite potential.

Figure 2. Lion Rock Resources' Volney Lithium Project map showing documented pegmatite location from Nellis, 1973.

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/8985/196199_figure2lionrock.jpg

Terms of Option

The LOI provides for the parties to enter into a formal option agreement (the "Option Agreement") under which the Company will be granted the sole and exclusive right and option (the "Option") to acquire the Volney Lithium Project by completing the following cash payments, share issuances and work program expenditures ("Expenditures"), and will be subject to the two royalties described below.

- Lion Rock shall pay the Tinton Partners US\$25,000 upon execution of the LOI (paid);
- Lion Rock shall pay the Tinton Partners US\$475,000 cash within 5 business days of TSX Venture Exchange ("TSXV") approval ("TSXV Approval") of the Option Agreement;

- Lion Rock will issue within 5 business days from TSXV Approval such number of common shares in the capital of Lion Rock (the "Shares") to the Tinton Partners in such denominations and names as directed the Partners, as is equal to 9.9% of the issued and outstanding shares of Lion Rock ("Lion Rock Shares") on an undiluted, post-transaction basis and post financing basis to the extent that Lion Rock undertakes financing in connection with the LOI or the Option Agreement;
- On or before the first anniversary of the TSXV Approval (the "First Anniversary Date"), Lion Rock shall incur a total of US\$1,800,000 of exploration expenditures ("Expenditures") on the Property, all of which shall be filed as assessment work with the applicable government registry to maintain the Property in good standing;
- Within 10 business days of the First Anniversary Date, Lion Rock shall pay US\$1,250,000 cash, and issue such additional number of Lion Rock Shares, issued at a price based on the 20 day VWAP immediately prior to the First Anniversary Date, as is equal to the greater of (i) that number of Lion Rock Shares required to maintain the Tinton Partner's shareholdings at an amount equal to 9.9% of the then issued and outstanding Lion Rock Shares calculated as of the First Anniversary Date on an undiluted basis, or (ii) the number of Lion Rock Shares equal to a value of US\$500,000 (converted to Canadian dollars using the Bank of Canada exchange rate on the First Anniversary Date);
- On or before the second anniversary of the TSXV Approval (the "Second Anniversary Date"), Lion Rock shall incur a total of US\$3,500,000 of Expenditures on the Property, all of which shall be filed as assessment work with the applicable government registry to maintain the Property in good standing;
- Within 10 business days following the Second Anniversary Date, Lion Rock shall pay the Tinton Partners US\$2,250,000 cash, and issue such additional number of Lion Rock Shares, issued at a price based on the 20 day VWAP immediately prior to the Second Anniversary Date as is equal to the greater of (i) that number of Lion Rock Shares required to maintain The Tinto Partner's shareholdings at an amount equal to 9.9% of the then issued and outstanding Lion Rock Shares calculated as of the Second Anniversary Date on an undiluted basis, or (ii) the number of Lion Rock Shares equal to a value of US\$750,000 (converted to Canadian dollars using the Bank of Canada exchange rate on the Second Anniversary Date);
- Expenditures incurred by any date in excess of the amount of Expenditures required to be incurred by such date shall be carried forward to the succeeding period and qualify as Expenditures for the succeeding period.
- If Expenditures incurred by any date are less than the amount of Expenditures required to be incurred by such date provided such shortfall shall not exceed 20% of the expected Expenditures, Lion Rock shall have the right, but not the obligation, to pay the shortfall to, or at the direction of, the Tinton Partners in cash within 10 days of such date, in order to maintain the Option in good standing.
- Such payments in cash in lieu of Expenditures shall be deemed Expenditures incurred on the Property on or before such date.
- Failure to make any of the Expenditures or payments on a timely basis will result in an immediate termination of the Option.
- Once Lion Rock has completed the Expenditures and made all payments and issuances of Lion Rock Shares as specified in the Option Agreement, Lion Rock will have exercised the Option and acquired a 100% interest in the Property, other than the Carve Out Property, subject to the royalties described below.

The Parties will enter into (i) a Gross Smelter Returns Royalty Agreement, other than for gold, under which Lion Rock will grant the Partners a 2% GSR on the Property subject to a buy back option exercisable upon the commencement of commercial production for a period of five years in favour of Lion Rock of 1% of the GSR (effectively reducing the GSR to 1%) for US\$1,000,000; and (ii) a Net Smelter Returns Royalty Agreement for gold under which Lion Rock will grant the Tinton Partners a 2% NSR on the Property subject to a buy back option exercisable upon the commencement of commercial production for a period of five years in favour of Lion Rock of 1% of the NSR (effectively reducing the NSR to 1%) for US\$1,000,000. In all circumstances the royalties will be registered on title and will be assigned with the Property in the event of any sale of the Property, whether in whole or in part.

The Share issuances described above will be subject to the prior approval of the TSXV and may require the filing and approval of Personal Information Forms from representatives of the Tinton Partners and shareholder approval if required under TSXV policies.

About the Volney Lithium Project

The Volney Lithium Project is comprised of 114 private land claims totaling 510 ha in the Black Hills. The Property is located 20 km south of Spearfish, South Dakota and approximately 15 km west of Lead. Pegmatites are within a Neoarchean greenstone belt, featuring the Giant Volney pegmatite, historically mined for Tin. The Property is accessible by road and strategically located with proximity to infrastructure

and major mining jurisdiction.

The technical content of this news release has been reviewed and approved by Carl Ginn, P.Geo., consultant to the Company and a Qualified Person pursuant to National Instrument 43-101.

About Lion Rock Resources Inc.

[Lion Rock Resources Inc.](#) is a brownfields exploration company focused on the Maybrun Copper-Gold Project in northwestern Ontario, approximately 80 km from New Gold's Rainy River Gold Mine and 15 km from First Mining Gold's Cameron Lake Project. The Company also holds properties prospective for lithium in Ontario and Quebec.

On Behalf of the Board

R. Dale Ginn, President & Chief Executive Officer
O: 604-678-5308
E: dale@rsdcapital.com

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

[1] Nellis, D.A., 1973, Tantalum in the Volney Pegmatite, Tinton, South Dakota, Boston, Boston University Ph.D.

[2] Lincoln, P.R., 1954, Pegmatite Investigations 1942-1945 Black Hills, South Dakota.

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