

First Graphite Announces Option Agreement for Henry Graphite Property, New Board Appointment and \$1.4 Million Financing

10.04.2012 | [Marketwired](#)

VANCOUVER, April 10, 2012 - [First Graphite Corp.](#) (TSX VENTURE: FGR) (the "Company" or "First Graphite") is pleased to announce that it has entered into an option agreement (the "Option Agreement") dated April 5, 2012, with [Zimtu Capital Corp.](#) and 877384 Alberta Ltd. (together, the "Optionors"), pursuant to which the Optionors have granted the Company an option (the "Option") to acquire a 100% interest in the Henry Graphite Property (the "Property") in north-east Saskatchewan.

The Property consists of six mineral claims, covering approximately 22,853 hectares and is located approximately 150 kilometres northeast of the community of La Ronge, Saskatchewan and approximately 10 kilometres west of the community of Southend, Saskatchewan. The Property is transected by highways 102 and 905.

The Property is noted for its potential to host a near-surface graphite deposit comprised of scarce, large-flake, high-purity graphite and is situated within high-grade metamorphic rocks of a sedimentary origin which is an ideal setting for the development of these types of deposits.

The Property was explored by Hudson Bay Exploration and Development Company Ltd. (HBEDC) in 1974 looking for base metal mineralization. At that time, airborne and ground electromagnetic (EM) surveys were conducted in the project area. Following the EM surveys, the targets which had the best potential for base-metal mineralization were drill tested. Many of the conductive targets were not drill tested due to the low potential for base-metal mineralization, which was attributed to a high graphite-to-sulphide ratio observed in outcrop. The historic EM surveys and ground-checking indicate that there are several long (up to 10 km), sub-parallel conductive horizons on the Property, indicating the potential for multiple zones of graphite mineralization.

In total, the HBEDC drilled 20 holes on the Property. This drilling intersected graphitic gneisses in several holes on the Property, despite the targeting efforts to avoid graphite. Graphite is described in the historic drill logs over intervals of up to 30 metres.

The Property is located 20 kilometres southwest of the Deep Bay Graphite Mine, which is currently being advanced towards production and is host to a historic non-NI 43-101 compliant resource of "1.8 million tons grading 10.32% C to a depth of 60 metres" (Saskatchewan Mineral Deposit Index Report #0480). The geologic setting of parts of the Henry Property appear similar to the Deep Bay Mine's deposit where recent graphite testing achieved >95% carbon content for all flake sizes +32+50+80+100 and -100. Further treatment was able to achieve >99% purity (Noble Bay Mining Development Inc.).

The technical information in this news release has been reviewed on behalf of the Company by Neil McCallum, of Dahrouge Geological Consulting Ltd., a Qualified Person pursuant to National Instrument 43-101.

In consideration of the grant of the Option, the Company paid to the Optionors an aggregate of \$77,500 upon signing the Option Agreement. In order to maintain and exercise the Option, the Company must: (i) within five business days of the date that the TSX Venture Exchange issues its approval of the agreement (the "Approval Date"), pay an additional \$77,500 to the Optionors and issue to the Optionors an aggregate 700,000 common shares of the Company; (ii) by the six-month anniversary of the Approval Date, issue to the Optionors an aggregate of an additional 300,000 common shares of the Company; (iii) by the first anniversary of the Approval Date, issue to the Optionors an aggregate of an additional 500,000 common shares of the Company; and (iv) by the second anniversary of the Approval Date, issue to the Optionors an aggregate of an additional an aggregate 500,000 common shares of the Company. The Optionors will retain a 2% Net Smelter Returns royalty on the Property.

The Company would also like to announce that Mr. Vince Sorace has been appointed President and Chief Executive Officer and a director of the Company. Mr. Sorace currently holds other public company director and/or officer positions including President and CEO of Providence Resources Corp. Mr. Sorace has been involved in the public markets for over 20 years and has helped manage and finance numerous public and

private entities. Mr. Sorace is experienced in operations, strategic planning, corporate development and the capital markets.

Mr Kyle Stevenson has resigned as interim CEO, and will remain a director of the Company. Mr. Andrew Mugridge has resigned as President and will remain as Vice President of Corporate Development. Mr. Brian Morrison has resigned as a director of the Company. The Company thanks Messrs. Stevenson, Mugridge and Morrison for their services as directors and officers of the Company.

The Company also announces that it will conduct a non-brokered private placement of up to 3,500,000 units of the Company (the "Units") at a price of \$0.40 per Unit for aggregate proceeds of up to \$1,400,000. Each Unit will consist of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each warrant entitling the holder to purchase one additional common share at a price of \$0.50 for 18 months from the closing of the offering. Shares acquired by the placees, and shares which may be acquired upon the exercise of the share purchase warrants, will be subject to a hold period of four months plus one day from the date of completion of the financing in accordance with applicable securities legislation. Funds raised by this private placement will be used for payments under the Option Agreement, exploration of the Property, engaging a third party consultant to carry out exploration on the Property and for general corporate purposes. Finders' fees in amounts to determined may be payable to arms' length third parties who introduce the Company to investors.

Graphite

Graphite is a polymer of carbon that comes in three naturally occurring forms - flake, amorphous, and lump. All three are found in metamorphic as well as igneous rocks, varying by grade, particle (mesh) size and moisture content. Graphite exhibits a number of characteristics, which make it a high value industrial mineral with a broad range of applications: it is an excellent conductor of heat and electricity, is resistant to strong acids and thermal shock, is a lubricant, is refractive and has the highest natural strength and stiffness of any known material.

The total worldwide graphite market is currently estimated to be US\$12 billion. At present, the largest end use markets for graphite are the steel and automotive industries. However in recent years, emerging markets, including green energy development (fuel cells, solar energy and nuclear power) and batteries (lithium-ion and vanadium-redox) are creating the potential for incremental increases in demand. Meanwhile, the closure of a number of natural graphite mines in China, the world's largest producer, is reducing world-wide supply.

About First Graphite

First Graphite Corp. is a Vancouver-based mineral exploration company focused on the development of graphite projects in Canada. The company currently has three graphite properties led by its flag ship project, the Henry Graphite property, located near the Deep Bay Graphite Mine in north-eastern Saskatchewan, Canada.

This news release contains certain statements that may be deemed "forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although First Graphite Corp. believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or realities may differ materially from those in forward looking statements. Forward looking statements are based on the beliefs, estimates and opinions of First Graphite Corp.'s management on the date the statements are made. Except as required by law, First Graphite Corp. undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

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Die URL für diesen Artikel lautet:

<https://www.goldseiten.de/artikel/133956--First-Graphite-Announces-Option-Agreement-for-Henry-Graphite-Property-New-Board-Appointment-and-1.4-Million->

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