

Osisko Metals Announces Successful Closing of Previously-Announced Acquisition of the Gaspé Copper Project

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MONTREAL, July 17, 2023 - [Osisko Metals Inc.](#) (the "Company" or "Osisko Metals") (TSX-V: OM; OTCQX: OMZNF; FRANKFURT: 0B51) is pleased to announce that, further to its news release dated July 11, 2022 (entitled "Osisko Metals Exercises Option to Acquire Gaspé Copper Project"), it has completed the acquisition (the "Transaction") of a 100% interest in the past-producing Gaspé Copper Mine ("Gaspé Copper") pursuant to a purchase agreement dated July 8, 2022 between the Company and Glencore Canada Corporation, a wholly-owned subsidiary of Glencore plc ("Glencore").

Robert Wares, Chairman & CEO of Osisko Metals, commented: *"The acquisition of the Gaspé Copper Project is a milestone for the Company that provides shareholders with significant copper exposure in the mining-friendly province of Québec. Last year's excellent drill results at Gaspé support our belief in the high-value potential of this asset and we are convinced that the acquisition of Gaspé Copper, together with our ongoing development of our joint-ventured Pine-Point project, positions Osisko Metals as a premier base metal development company in Canada. I wish to thank both the Osisko Metals and Glencore teams, as well as all stakeholders, for their diligence and perseverance in completing this complex transaction that will no doubt benefit all parties and shareholders."*

In connection with the Transaction:

- Glencore was issued a US\$25.0 million senior secured convertible note (the "Convertible Note") of the Company which is convertible into units of Osisko Metals at a price of \$0.40 per unit (each, a "Unit"), comprised of one common share of the Company (each, a "Common Share") and one-half Common Share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant will be exercisable by Glencore at an exercise price of \$0.46 per Common Share until July 14, 2026. The Convertible Note will bear interest at a rate equal to the Secured Overnight Financing Rate (SOFR) + 4%, payable annually and, subject to adjustment or acceleration in certain circumstances, all outstanding principal and interest under the Convertible Note will be repaid in full by July 14, 2026. The Convertible Note will be secured against all of the present and after acquired property of the Company. Upon full conversion of the Convertible Note (assuming conversion on the closing date) and exercise of the underlying Warrants in full, Glencore would acquire 71,347,826 Common Shares, representing approximately 21.8% of the Common Shares that would be issued and outstanding upon the conversion of the Convertible Note and the exercise of the Warrants issued upon such conversion. Glencore did not own or control, directly or indirectly, any securities of Osisko Metals immediately prior to the closing of the Transaction.
- Glencore retained a 1% net smelter returns ("NSR") royalty on the historical Mount Copper open pit and a 3% NSR royalty on all other minerals extracted from Gaspé Copper.
- Osisko Metals will make a cash payment of US\$20.0 million to Glencore upon the commencement of commercial production at Gaspé Copper.
- Osisko Metals is required to incur a total of \$55.0 million in exploration, development and environmental expenditures, including permitting expenditures, over a period of four years, which commenced on March 25, 2022, with a minimum of \$20.0 million to be incurred by March 25, 2024.
- Osisko Metals has entered into an offtake agreement with Glencore to purchase 100% of the concentrates produced at Gaspé Copper.
- The Company and Glencore entered into an investor rights agreement (the "Investor Rights Agreement"), pursuant to which Glencore has been granted certain investor rights, provided that it maintains certain ownership thresholds in the Company. Among other things, the Investor Rights Agreement provides Glencore with the right to designate one director for appointment to the board of directors of the Company, participation rights in future equity issuances, piggyback registration rights and the right to maintain its pro-rata position in Osisko Metals.

Upon conversion of the Convertible Note by Glencore, Glencore may hold, on a post-conversion basis, such

number of Common Shares and Warrants that would exceed 20% of the pro forma issued and outstanding Common Shares, both on a non-diluted and partially-diluted, post-conversion basis, thus resulting in Glencore becoming a Control Person (as such term is defined in the policies of the TSX Venture Exchange (the "Exchange")) of the Company. Accordingly, in accordance with the policies of the Exchange, the disinterested shareholders of the Company were required to approve Glencore as a Control Person of the Company, which approval was obtained at a meeting of shareholders held on June 23, 2022. For more information, please refer to the management information circular of the Company dated May 11, 2022, a copy of which is available on SEDAR (www.sedar.com) under the Company's issuer profile.

In accordance with the terms of the Investor Rights Agreement, Mr. Peter Wright will be appointed to the board of the Company. Mr. Wright has served as Director and Vice President, Legal, with Glencore since 2018, having joined the company in 2014. Previously, Mr. Wright practiced corporate law in Toronto with Torys LLP and Cassels, Brock & Blackwell LLP as well as in New York with Paul, Weiss, Rifkind, Wharton & Garrison LLP. Mr. Wright graduated from the McGill Faculty of Law with Great Distinction in 2004 (BCL/LLB) and has since been called to the bars of Ontario (2005) and New York (2006).

About Gaspé Copper

Gaspé Copper, a 44-year former copper and molybdenum producer that was initially operated by Noranda Inc., is located next to the community of Murdochville, in the Gaspé Peninsula of Eastern Quebec, approximately 825km east of Montreal. Most support infrastructure for the potential re-opening of Gaspé Copper is already in place. The former mine site benefits from paved road access with local highway 198 linking Murdochville with the coastal community of Gaspé.

As of the date hereof, the Company has completed approximately 28,000 meters of drilling at Gaspé Copper in accordance with the recommended work program outlined in the Technical Report (as defined below). Between 6,000 meters and 10,000 meters in additional drilling is expected to be completed by the Company during the 2023-2024 drill program. A reconciliation of the proposed work program against the work program recommended in the Technical Report is provided in the table below.

<i>Recommended 2021 Work Program for the Gaspe Copper Deposit</i>	<i>Technical Report as at June 30, 2023</i> ⁽⁴⁾
Drilling 30,000m (\$350 m all inclusive) ⁽¹⁾	\$30,600,000 ⁽²⁾
Metallurgical Testing and Analysis	\$75,000
TOTAL	\$30,675,000

Note:

1. After executing the 2022 program, it is now expected that a total of up to 38,000 meters in drilling will be needed to complete the recommended work program as outlined in the Technical Report.
2. Approximately 28,000 meters of drilling has been completed as at June 30, 2023. Increased meterage associated with the execution of the 2022 drill program is due to the adjusted location of drill collars with respect to the recommended program in the Technical Report. In particular, due to safety reasons, all holes had to be collared on the periphery of the pit, which resulted in drilling added meterage through barren rock in order to obtain recommended meterage within the mineralized zone. Additional drilling is therefore required in the 2023 to fully meet the objectives recommended in the Technical Report.
3. Represents costs associated with completing between 6,000 meters and 10,000 meters in additional drilling on the property, bringing the total size of the drill program to approximately 38,000 meters. Due to confirmation that the highest-grade material is located in the core of the pit, additional drilling focused on the core of the pit is needed to maximize resource conversion in that area.
4. For a summary of the results of all drilling completed at Gaspé Copper since the effective date of the Technical Report, please refer to the news release dated August 4, 2022 entitled "Osisko Metals Reports First Infill Drill Results at Gaspe Copper", the news release dated October 27, 2022 entitled "Osisko Metals Reports Additional Infill Drill Results at Gaspe Copper Including 102.0 m of 0.57% Copper and 2.20 gpt Silver", the news release dated January 24, 2023 entitled "Osisko Metals Reports Additional Drill Results at Mount Copper Including 1011.0 Metres Grading 0.46% Copper and 3.19 g/t Silver" and the news release dated April 3, 2023 entitled "Osisko Metals Reports Additional Drill Results at Mount Copper Including 300.0 Metres Grading 0.55% Copper and 3.59 g/t Silver", copies of which are available on SEDAR (www.sedar.com) under the Company's issuer profile.

For more detailed information about Gaspé Copper, please refer to the technical report entitled "Gaspé Copper Project, Mineral Resource Estimate, Mount Copper Deposit, Québec, Canada" dated June 12, 2022

(with an effective date of April 12, 2022), which has been prepared for Osisko Metals by representatives of SGS Canada Inc., a copy of which is available on SEDAR (www.sedar.com) under Osisko Metals' issuer profile (the "Technical Report").

Advisors

Bennett Jones LLP acted as legal counsel to Osisko Metals in connection with the Transaction.

About Glencore and its Holdings in the Company

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 60 commodities that advance everyday life. Through a network of assets, customers and suppliers that spans the globe, Glencore produces, processes, recycles, sources, markets and distributes the commodities that support decarbonization while meeting the energy needs of today. With around 140,000 employees and contractors and a strong footprint in over 35 countries in both established and emerging regions for natural resources, Glencore's marketing and industrial activities are supported by a global network of more than 40 offices.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, battery manufacturing and oil sectors. Glencore also provides financing, logistics and other services to producers and consumers of commodities.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. Glencore is an active participant in the Extractive Industries Transparency Initiative and is working to decarbonize its operational footprint.

Certain information in this news release is provided by Glencore in satisfaction of the early warning requirements of National Instrument 62-104 - *Take-Over Bids and Issuer Bids*. Glencore acquired the Convertible Note for investment purposes and may elect to convert the Convertible Note, in whole or in part, into Units in accordance with its terms and to exercise some or all of the Warrants issued upon conversion. Glencore will continue to monitor the business, prospects, financial condition and potential capital requirements of the Company. Depending on its evaluation of these and other factors, Glencore may from time to time in the future decrease or increase its direct or indirect ownership, control or direction over securities of the Company through market transactions, private agreements, subscriptions from treasury or otherwise or may in the future develop plans or intentions relating to any of the other actions listed in (a) through (j) of Item 5 of Form 62-103F1 - *Required Disclosure Under the Early Warning Requirements*.

For the purposes of this news release and early warning disclosure, the pro-forma number and percentage of outstanding Common Shares owned and controlled by Glencore following completion of the Transaction is based on 256,574,935 outstanding Common Shares following the completion of the Transaction.

Glencore's address is 100 King Street West, Suite 6900, P.O. Box 403, Toronto, Ontario, Canada, M5X 1E3. Glencore is incorporated under the laws of Ontario. An early warning report in respect of the investment will be filed on SEDAR (www.sedar.com) under the Company's issuer profile. For a copy of the report or for further information about Glencore, please contact Peter Fuchs at (416) 305-9273, peter.fuchs@glencore.ca.

Osisko Metals' head office address is 1100 Ave Des Canadiens de Montréal, Suite 300, Montreal, Quebec, Canada, H3B 2S2.

About Osisko Metals

[Osisko Metals Inc.](#) is a Canadian exploration and development company creating value in the critical metals space, specifically copper and zinc. The Company is a joint venture partner with Appian Natural Resources Fund III LP for the advancement of one of Canada's premier past-producing zinc mining camps, the Pine Point project (the "Pine Point Project"), located in the Northwest Territories, for which the 2022 PEA (as defined herein) has indicated an after-tax NPV of C\$602 million and an IRR of 25%, based on long-term zinc

price of US\$1.37/lb and the current mineral resource estimates that are amenable to open pit and shallow underground mining. The current mineral resource estimate in the 2022 PEA consists of 15.7Mt grading 5.55% ZnEq of indicated mineral resources and 47.2Mt grading 5.94% ZnEq of inferred mineral resources. Please refer to the technical report entitled "*Preliminary Economic Assessment, Pine Point Project, Hay River, Northwest Territories, Canada*" dated August 26, 2022 (with an effective date of July 30, 2022), which has been prepared for Osisko Metals an PPML by representatives of BBA Engineering Inc., Hydro-Resources Inc., PLR Resources Inc. and WSP Canada Inc. (the "2022 PEA"). Please refer to the full text of the 2022 PEA, a copy of which is available on SEDAR (www.sedar.com) under Osisko Metals' issuer profile, for the assumptions, methodologies, qualifications and limitations described therein. The Pine Point Project is located on the south shore of Great Slave Lake in the Northwest Territories, near infrastructure, paved highway access, and has an electrical substation as well as 100 kilometres of viable haulage roads already in place.

As described above, the Company has acquired a 100% interest in the past-producing Gaspé Copper Mine, located near Murdochville in the Gaspé peninsula of Québec. The Company is currently focused on resource evaluation of the Mount Copper Expansion Project that hosts an inferred mineral resource (in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*) of 456Mt grading 0.31% Cu (see April 28, 2022 news release of Osisko Metals entitled "*Osisko Metals Announces Maiden Resource at Gaspé Copper - Inferred Resource of 456Mt Grading 0.31% Copper*"). Gaspé Copper hosts the largest undeveloped copper resource in Eastern North America, strategically located near existing infrastructure in the mining-friendly province of Québec.

For further information on this news release, visit www.osiskometals.com or contact:

Robert Wares, Chairman & CEO of [Osisko Metals Inc.](http://www.osiskometals.com)

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www.osiskometals.com

Cautionary Statement on Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation based on expectations, estimates and projections as at the date of this news release. Any statement that involves predictions, expectations, interpretations, beliefs, plans, projections, objectives, assumptions, future events or performance are not statements of historical fact and constitute forward-looking information. This news release may contain forward-looking information pertaining to the Pine Point Project and Gaspé Copper, including, among other things, the results of the 2022 PEA and the IRR, NPV and estimated costs, production, production rate and mine life; the ability to identify additional resources and reserves (if any) and exploit such resources and reserves on an economic basis; Gaspé Copper hosting the largest undeveloped copper resource in Eastern North America; Glencore becoming a Control Person of the Company; the high value potential of Gaspé Copper; and the ability of Osisko Metals to become a premier base metal development company in Canada.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including, without limitation, assumptions about; favourable equity and debt capital markets; the ability and timing for the parties to fund cash calls to advance the development of the Pine Point Project and pursue planned exploration and development; future prices of zinc and lead; the timing and results of exploration and drilling programs at Gaspé Copper and the Pine Point Project; the accuracy of mineral resource estimates; production costs; operating conditions being favourable; political and regulatory stability; the receipt of governmental and third party approvals; licenses and permits being received on favourable terms; sustained labour stability; stability in financial and capital markets; availability of equipment; the economic viability of the Pine Point Project; and positive relations with local groups. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Factors that could cause actual results to differ materially from such forward-looking information are set out in the Company's public disclosure record on SEDAR (www.sedar.com) under Osisko Metals' issuer profile. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue

reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accept responsibility for the adequacy or accuracy of this news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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