

CBLT Announces Purchase Agreement to Acquire Mining Portfolio

written by Raj Shah | October 19, 2018

✘ October 19, 2018 ([Source](#)) – CBLT Inc. (TSXV: CBLT) (“CBLT”) announces it has reached an agreement (the “Purchase Agreement”) to purchase all the mining assets (the “Assets”) now owned by GTA Resources and Mining Inc. (“GTA”), a non-arm’s length reporting issuer, at a purchase price of \$1,050,000 (one million fifty thousand dollars) to be paid through the issuance of 35,000,000 CBLT treasury shares.

The Assets are all located in Canada and all have been explored to some degree. One of the Assets, Northshore Gold, boasts a *NI43-101* mineral resource estimate from June, 2014, using a cutoff grade of 0.50 grams gold per tonne, showing:

- Indicated Category: 391,000 ounces gold in 12,360,000 tonnes at a grade of 0.99 g/t gold
- Inferred Category: 824,000 ounces gold in 29,580,000 tonnes at a grade of 0.87 g/t gold
- All resources appear to be open for expansion

See GTA’s press release of June 10, 2014 for further details on Northshore’s mineral resource estimate.

There is no standstill agreement or break fee in the Purchase Agreement. GTA may continue to entertain expressions of interest or proposals from any person relating to the sale of all or part of the Assets, and if such sale or sales is consummated by GTA prior to closing on the Purchase Agreement, then GTA and CBLT shall in good faith renegotiate downwards the number of CBLT

shares to be issued from its treasury for the purchase of the remaining Assets then owned by GTA.

The board of each of GTA and CBLT has approved the Purchase Agreement. Further board approval will be needed upon the delivery of final documentation. Each of GTA and CBLT will require shareholder and regulatory approval for the Purchase Agreement.

“The brutal junior mining market has created opportunities for us,” said Peter M. Clausi, CBLT’s CEO. “So far in 2018 we have created real value on the balance sheet with successful M&A activities on our Ontario non-core assets. This transaction with GTA diversifies our portfolio and adds ounces to our asset base, giving us flexibility to continue with profitable divestitures of non-core assets. We know GTA’s assets well and are excited to get into the field to work them.”

GTA and CBLT are non-arm’s length as they have a Chief Executive Officer and Chief Financial Officer in common, both of whom are also directors of both GTA and CBLT. Each of CBLT and GTA has taken steps to manage all conflicts of interest.

Below is a description of the four properties comprising the Assets.

Northshore Gold

Northshore Gold is located within the Hemlo-Schreiber greenstone belt in the world-famous Hemlo Gold Camp, south of the former producing Winston Lake copper-zinc-gold-silver deposit. It is home to one of the oldest known gold discoveries in Ontario. A small high-grade (16-20 g/t) gold mining operation operated here in the 1930’s, producing gold from the “Main Vein”.

In 2014, GTA filed a *NI43-101* resource estimate for Northshore’s

Afric Zone which outlined an indicated resource of 391,000 ounces gold in 12,360,000 tonnes, plus an inferred resource of 824,000 ounces gold in 29,580,000 tonnes. GTA carried out further exploration and drilling at Northshore since then. There appear to be six zones of mineralization, all of which appear to be open at depth. CBLT is optimistic it can improve the resource estimate with further drilling.

Northshore Gold is road accessible. It is located only 4 kilometres south of transcontinental road and rail access. GTA has established excellent relations with all local communities, which CBLT intends to continue.

CBLT is acquiring a joint venture interest in Northshore Gold of roughly 54%, with the remaining 46% held by an arm's length third party.

Big Duck Lake

Under the Purchase Agreement CBLT would acquire a 100% interest in the Big Duck Lake Gold Property. This property covers an altered gold rich porphyry (Big Duck Lake Porphyry) which in GTA's opinion is analogous to the Moose Lake Porphyry, host to the 30 million ounce Hemlo gold deposits.

The 65-claim property is located 25 km north of Northshore Gold. Big Duck Lake covers six kms of prospective geology containing numerous gold and base metal showings including the Coco-Estelle deposit, which hosts a historic resource of 53,700 tonnes grading 10.7 grams of gold per tonne. (The historic estimate was based on work carried out by third parties, was not produced in compliance with *NI43-101*, and should not be relied upon without further work by CBLT.) The claims are located 4 km west of the past producing Winston Lake Zinc Mine, which produced 2.68 million tonnes of 1.05% copper, 12.05% zinc, 1.07 g/t gold and 31.37 g/t silver.

GTA's initial field work at Big Duck Lake consisted of surface work and drilling four holes on the Coco-Estelle Zone in late 2017. The program was successful with three of the four holes intersecting significant gold grades and widths.

Hole BD17-01 was initially reported as having an interval of 10 (g/t) gold over 0.5 m. This sample was re-run using a "gravimetric" finish, as per standard laboratory procedures. On the re-run, this sample returned a value of 823.1 g/t (26.339 oz/ton) gold over 0.5 m, within a larger section of 1.3 m grading 320.1 gold g/t.

Other values included 5.89 g/t gold over 5.0 m within a wider zone of 1.96 g/t over 11.0 m. See GTA's press releases of January 15 and 29, 2018 for further details and the assay table.

Burnt Pond

Under the Purchase Agreement CBLT would acquire a 100% interest in an eight licence claim group (28.5 sq km) along the Tally Pond volcanic belt in Newfoundland, within 10 km of Teck Resources Inc.'s former producing Duck Pond copper-zinc mine.

The Duck Pond Mine is classified as a VMS (volcanogenic massive sulphide) deposit. It started production in 2007 with an initial resource of 6 million tonnes at approximately 3% Cu, 6% Zn, 60 g/t Ag and 0.9 g/t Au. Burnt Pond appears to be underlain by the same geological package of altered felsic volcanic rocks as are common to the Duck Pond Mine, and hosts a number of untested electro-magnetic targets which are coincident with anomalous base metals (Zn, Cu, Pb and Ag) in both rock and soils.

Historic drilling was limited, but the area has extensive geophysical and geochemical survey coverage. The historic Burnt Pond Prospect is located in the centre of the property and has been tested with approximately 14 drill holes to define a 30 m

wide zone of base metal altered felsic volcanic including values up to 50.5% combined Zn-Pb-Cu over 0.37 meters. Anomalous zinc values associated with other alteration zones include the North Moose showing, the Wim Showing (1.9% Zn, 1.5% Pb), and drill intersections of 1.0%Zn/2.9m.

In 2017, GTA completed a 874 m (three hole) drill program on the Burnt Pond Prospect VMS horizon (GTA press release, April 27, 2017). The drilling extended the base metal horizon an additional 250 meters to the northeast and had a best intersection of 0.72% Zn and 5.1g/t Ag over 4.2 meters. The program was also successful in confirming the Burnt Pond Prospect is hosted by a thick sequence of highly altered felsic fragmentals, which is characteristic of the Duck Pond Mine.

Auden

Under the Purchase Agreement CBLT would acquire a 100% interest in the massive Auden Project in northern Ontario, (approx 20,000 hectares). It covers 60 km of strike length of the Auden Greenstone belt, located between the towns of Hearst and Long Lac.

For the most part the area is overburden covered and the interpreted geology has been compiled by geophysical interpretation and limited historic drill holes. The area is underlain by an interlayered sequence of mafic and felsic volcanic and tuffs with associated sediments including iron formation and conglomerates. Intrusive into the centre of the claims is the Nagagami peralkaline complex which hosts Zenyatta Ventures Ltd.'s Albany Graphite deposit. Previous workers have interpreted a major "break" running the length of the claims which has shown to be anomalous in gold/copper/arsenic associated with altered volcanic and conglomerates.

Regionally the Auden volcanic /sedimentary belt is a

continuation of the Geraldton-Long Lac greenstone belt, located 100 km to the west.

All Auden claims are presently in good standing until 2019 and have excess assessment credits banked to keep them until well into 2019. GTA signed a Memorandum of Understanding with the First Nations Community of Constance Lake, and CBLT intends to honour such MOU. Access is provided by a series of forest access roads. Infrastructure including regional highways, electrical power, natural gas pipeline and railroad are within 20 km of the property.

About CBLT

CBLT is a Canadian mineral exploration company with a proven leadership team, targeting cobalt in reliable mining jurisdictions and creating real value through M&A activities. CBLT continues to be a project generator and an efficient steward of its shareholders' capital.

Forward Looking Statements

This news release contains certain statements that constitute forward-looking statements as they relate to the Company and its management. Forward-looking statements are not historical facts but represent management's current expectation of future events, and can be identified by words such as "believe", "expects", "will", "intends", "plans", "projects", "anticipates", "estimates", "continues" and similar expressions. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that they will prove to be correct.

By their nature, forward-looking statements include assumptions and are subject to inherent risks and uncertainties that could cause actual future results, conditions, actions or events to

differ materially from those in the forward-looking statements. If and when forward-looking statements are set out in this new release, the Company will also set out the material risk factors or assumptions used to develop the forward-looking statements. Except as expressly required by applicable securities laws, the Company assumes no obligation to update or revise any forward-looking statements. The future outcomes that relate to forward-looking statements may be influenced by many factors, including, but not limited to: reliance on key personnel; risks of future legal proceedings; income tax matters; availability and terms of financing; distribution of securities; effect of market interest rates on price of securities, and potential dilution.

On Behalf of the Board of Directors

CBLT INC.

“Peter M. Clausi”

Peter M. Clausi
CEO and Director

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