

# CBLT Enters LOI to Buy 70% of Werner Lake and Updates Hemlo Operations

written by Raj Shah | November 26, 2020

November 26, 2020 ([Source](#)) – CBLT Inc. (TSXV: CBLT) (“**CBLT**”) announces it has entered into a Letter of Intent (the “**LOI**”) to buy the 70% majority interest in the Werner Lake Copper-Cobalt-Gold Project (“**Werner Lake**”) from Global Energy Metals Corporation (“**GEMC**”). Readers are directed to GEMC’s website for details and documents related to Werner Lake (<https://www.globalenergymetals.com/projects/werner-lake-cobalt-project/>).

“This is an extremely exciting time for CBLT’s shareholders. Efficient M&A activity has meant CBLT has not had to carry out a financing since 2016,” said Peter M. Clausi, CBLT’s CEO. “The recent sale of our interest in Northshore Gold to Ready Set Gold Corp. (currently known as Omni Commerce Corp.) will extend that streak. We are thrilled to be able to use M&A proceeds to acquire and, in the future, develop such an intriguing project as Werner Lake.”

“Given the pandemic and border closures, it is important for us to acquire quality assets in jurisdictions to which our team can travel and work safely. Ontario is a great mining jurisdiction that meets those criteria which helps de-risk the project,” continued Clausi.

## **Werner Lake**

GEMC published an updated *NI43-101* resource estimate (the “**Report**”) on May 11, 2018, a summary of which is:

Indicated: 57.9kt @ 0.51% Cobalt and 0.25% Copper at a 0.25% Cobalt Cut-off for 653,000 lbs of Contained Cobalt

Inferred: 6.3t @ 0.48% Cobalt and 0.14% Copper at a 0.25% Cobalt Cut-off for 67,000 lbs of Contained Cobalt

The author of the Report was AGP Mining Consultants Inc. of Barrie, Ontario. CBLT has read the Report and sees no reason not to rely upon it and GEMC's public disclosures for the purposes of its own disclosure. CBLT will carry out its own further due diligence prior to closing on the purchase of Werner Lake. As with every report under *NI43-101* there are risks the author of the Report was incorrect or incomplete in its research, calculations or conclusions.

According to GEMC, the infill and expansion diamond drilling completed in 2018/2019:

- Confirmed high-grade cobalt mineralisation intersected in numerous drill holes during previous diamond drilling programs;
- Provided additional structural and geotechnical data for ongoing project development studies;
- Increased pierce points within the current block model to enhance the current mineral resource; and
- Regained an understanding of the geological controls on mineralisation and advance interpretive theories from the detailed work in the mid 1990's.

Such infill and expansion drilling was carried out by Werner Lake's 30% joint venture partner, who expended over AUD\$1,000,000 to earn that 30%.

There are numerous historic references to 'gold' throughout the Report. Further work will be needed to follow up on these references.

Werner Lake is described as follows in the Report:

The Property consists of mineral rights to 108 patented mining claims and two leasehold interests which are 100% held by GEMC; of the 108 patented mining claims, six claims convey both mineral and surface rights.

The Property is located in northwestern Ontario approximately 85 km north of Kenora, Ontario and approximately 85 km east of the town of Lac du Bonnet, Manitoba. The project lies roughly 14 km east of the Manitoba-Ontario border and is located in the Umfreville Lake Sheet, NTS 52L/07, which is part of the Kenora Mining District. Infrastructure and local resources favour continued exploration and future development.

The Werner Lake Geological Belt lies within the Archaean English River sub-province which is a 25 to 100-kilometre-wide by 800-kilometre-long, east-west trending belt of predominantly metasedimentary gneisses intruded by syn- to late-tectonic felsic intrusive rocks within the Superior Geological Province. The Werner Lake Geological Belt is defined by a deep-seated structure that is believed to have ruptured the Superior Province. The structural zone is up to 500 m wide with near vertical dips. At Werner Lake, the structural zone is marked at surface by a prominent 25 to 50 m wide U-shaped valley which disappears to the west under Reynar Lake and is characterized by high grade, amphibolite to granulite facies, metamorphism.

Note the Report pre-dates the 30% earn-in so the reference to the quotation above was correct at the time.

### **The LOI**

CBLT has agreed to pay a total of \$270,000 (two hundred and seventy thousand dollars) to GEMC for Werner Lake. Of that amount, \$20,000 (twenty thousand dollars) will be immediately

paid as a non-refundable deposit. The remainder will be satisfied on the closing by CBLT issuing 5,000,000 (five million) shares issued at a deemed price of five (\$0.05) cents per share, plus 3,500,000 (three million and five hundred thousand) common share purchase warrants each exercisable at \$0.08 (eight cents) with a two year term. There is no accelerator on these warrants. The LOI terminates on December 19, 2020 unless extended by mutual agreement or a definitive agreement has been reached. A payment of \$500,000 (five hundred thousand dollars) would be payable by CBLT to GEMC upon Werner Lake reaching commercial production. CBLT may pay an arm's length finder's fee should closing take place. If CBLT disposes of all or part of Werner Lake in the 24 months following closing, twenty per cent of the gross proceeds of such disposition would be payable to GEMC.

The LOI includes the delivery to CBLT of all technical data related to Werner Lake in GEMC's power, control or possession.

Assuming a definitive agreement is reached, closing of such agreement would be conditional upon approval from the TSX Ventures Exchange and further due diligence by CBLT. CBLT does not believe shareholder approval will be needed.

### **The Roles of Cobalt and Copper in the Green Revolution**

Copper and cobalt are two of the most important metals for the Green Revolution. Under current technological parameters the world will not be able to 'greenify' without additional sources of cobalt and copper. CBLT intends to develop its assets, hopefully including Werner Lake once it closes on its purchase, to ethically contribute towards such greenification and the lessening of the carbon footprint.

### **Hemlo Update**

As previously announced CBLT sold its 55% joint venture interest in the Northshore Gold Project in Ontario to Omni Commerce Corp. (“**Omni**”) for cash and Omni shares. Those shares are subject to a regulatory four month hold and a voluntary escrow agreement providing for staggered releases over the following eight months. The first release from escrow of 25% of CBLT’s holdings will take place on or about December 20, 2020. CBLT has been advised that Omni is making normal corporate progress in the listing of its common shares on the Canadian Securities Exchange. Omni has expressed its intention to change its name to Ready Set Gold Corp.

On November 25, 2020, Omni disclosed it had raised \$2,595,337.20 at \$0.60 per share, in addition to flow-through financing for \$240,000 at a price of \$0.75, for an aggregate of \$2,835,337.20. To CBLT this is especially impressive as Omni had earlier disclosed its target financing was \$1,500,000. Readers are encouraged to review Omni’s press release for details on the financing and an operational update <https://bit.ly/39aAYtk>.

To the best of CBLT’s knowledge it is one of Omni’s largest shareholders, if not the largest shareholder, and will likely remain so even after Omni closes on its previously announced financing. CBLT is highly supportive of Omni’s efforts.

CBLT applied for a normal course exploration permit from the Ontario Ministry of Energy, Northern Development and Mines for its Big Duck Lake project in September, 2020. The Ministry has not responded as quickly as expected, causing CBLT to re-consider whether it will carry out exploration at Big Duck Lake in 2020 or 2021.

## **CONTACT INFORMATION**

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This news release contains certain statements that constitute forward-looking statements as they relate to CBLT 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", "should", "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, CBLT 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, CBLT 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: converting the LOI described above into a definitive agreement; closing on such definitive agreement in a timely manner; SARS-CoV-2; reliance on key personnel; shareholder and regulatory approvals; First Nations and other local communities;

risks of future legal proceedings; income tax matters; availability and terms of financing; distribution of securities; commodities pricing; effect of market interest on price of securities; and, potential dilution.

CBLT's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. It is not possible to accurately predict the impact COVID-19 will have on operations and the ability of others to meet their obligations, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect operations and the ability to finance its operations.