

# Global Energy Metals Signs Definitive Option Agreement with Metal Bank Limited to Commence Work Program on the Millennium Cobalt-Copper-Gold Project in Queensland, Australia

written by Raj Shah | June 28, 2021

June 28, 2021 (Source) – [Global Energy Metals Corporation](#) ([TSXV:GEMC](#)) | ([OTC:GBLEF](#)) | ([FSE:5GE1](#)) (“Global Energy Metals”, the “Company” and/or “GEMC”), a company involved in investment exposure to the battery metals supply chain, is pleased to announce that following on from [signing binding terms earlier this month](#) it has now entered into a formal option agreement with [Metal Bank Limited](#) (“Metal Bank” and/or “MBK”) for a 6 month exclusive option (“Option”) in favour of MBK to earn-in and joint venture the Millennium cobalt, copper and gold project in Mount Isa, Queensland (“Millennium” and/or the “Project”) owned by GEMC’s wholly owned subsidiary, Element Minerals Australia Pty Ltd (“EMA”).

During the exclusive 6-month option period, MBK will undertake further due diligence and complete an initial exploration program to confirm the potential for mineralisation in the northern half of the tenement package. An infill pXRF soil survey and geological mapping to refine drilling locations will commence in the first week of July.

At the end of the option period, MBK will have the right to commence a formal earn-in to the Project to earn up to an 80% interest over two phases.

## Highlights

- Global Energy Metals and Metal Bank Limited (ASX:MBK) have signed a formal agreement granting MBK a 6 month exclusive option to earn-in and joint venture GEMC's Millennium copper-cobalt-gold Project in the heart of Mount Isa, Queensland;
- Millennium contains an inferred Cu equivalent Mineral Resource of 5.89MT1 across 5 granted mining leases with significant potential for expansion;
- MBK's initial exploration program at Millennium will commence in the first week of July;
- At the end of the Option Period, MBK will have the right to commence a formal earn-in to the Project to earn up to an 80% interest;
- The transaction advances GEMC's objectives of monetizing its existing projects by unlocking unrealized value and advancing projects through partner funded exploration; and
- GEMC retains project level exposure while diversifying its equity holdings in a well managed company that is creating value through a combination of exportation success and quality project acquisition.

## **Mitchell Smith, President and CEO of Global Energy Metals commented:**

"The option agreement with MBK is another significant milestone in our ability to execute our strategic business plan. We are excited to be partnering with MBK to advance Millennium while we continue to focus on strengthening our understanding of the potential at Lovelock and Treasure Box, our cobalt-copper-nickel projects in Nevada, and evaluating other opportunities within

our strong and diverse portfolio of battery metal assets. We look forward to updating the market on other developments in the near future as MBK commences its exploration program at Millennium.”

**Commenting on the signing of the Option Agreement, Inés Scotland, MBK Chair, said:**

“The option on the Millennium project represents an excellent growth opportunity for MBK and its shareholders, providing us with exclusive rights to an advanced copper-cobalt asset of significant size in close proximity to processing solutions and excellent infrastructure.

GEMC’s work to date on the Project has demonstrated both the quality of the known resource and the strong potential for a significant increase in tonnage. We are keen to realise this potential and are hitting the ground running with our initial work program commencing in the next week.”

### **The Millennium Project**

Millennium is a significant advanced copper-cobalt-gold project with a large defined zone of copper-cobalt mineralisation holding an inferred 2012 JORC Resource of 5.89MT @ 1.08% CuEq1 with significant potential for expansion at depth and along strike.

The Project is strategically located on granted mining leases, less than 20 km from the Rocklands mine site and processing facility which is host to 55.4Mt of Resources grading 0.64%Cu, 0.15 g/t Au, 290ppm Co (0.90% CuEq)2.

The Project lies within the economic and infrastructure hub of Mount Isa, Queensland close to well establish mining, transport and processing infrastructure.

Mapping, soil geochemistry and rock sampling conducted by GEMC identified an additional 1.5 km of anomalous cobalt-copper mineralisation in geological analogues that occur along a potential strike extension in the northern half of the tenement package ('Northern Extension')<sup>3</sup>. This area has no previous drilling to date and provides an excellent opportunity to increase the overall resource potential of the Millennium Project.

The Millennium mining leases also include the Corella and Federal prospects, along a parallel zone of significant surface Cu-Co-Au anomalism and historical workings, that are untested by drilling and provide yet further potential to grow the resource base.

Additional details on the project are set out in the Company's website: <https://www.globalenergymetals.com/projects/>.

### **Option Agreement Summary**

MBK's exclusive option to earn-in and joint venture the Project commenced upon signing the Option Agreement and payment of a \$10,000 payment to GEMC, and will continue for a term of 6 months (Option Period).

During the Option Period MBK will conduct further due diligence and complete a Phase 1 work program including detailed geological mapping, infill pXRF soil survey and mapping to refine drill locations and reconnaissance drilling of up to 4 RC holes for up to 500m at Millennium North.

During the Option Period the parties will negotiate and agree the terms of a formal earn-in and joint venture agreement based on agreed earn-in and joint venture terms set out in the Option Agreement and otherwise on usual and customary terms, conditions, representations and warranties for earn-in and joint

venture agreements in Australia based on the AMPLA model earn-in and joint venture agreements for exploration and mining.

On or before expiry of the Option Period, and subject to completing the Phase 1 work program, MBK may give notice to GEMC exercising the exclusive Option to earn-in and joint venture the Project and move to Phase 2.

At the commencement of Phase 2, MBK will issue the equivalent of AUD\$250,000 in MBK shares to GEMC and MBK will sole fund exploration expenditure of \$1M to earn a 51% interest in the Project. MBK may withdraw during Phase 2 without earning any interest, provided MBK meets its \$1M exploration expenditure commitment or pays the difference to EMA.

**Upon completing its Phase 2 expenditure commitment, MBK may:**

- elect to earn the 51% interest and either:
  - form the joint venture and move to Phase 3;
  - give notice to buy-out 29% of EMA's remaining interest, with MBK taking an 80% interest in the project in consideration of the payment by MBK of \$1M and issue of \$1M of MBK shares to GEMC.
  - In the event such notice is given the joint venture will be formed on an 80% MBK, 20% EMA basis; or
- withdraw without earning any interest.

At the commencement of Phase 3, MBK will issue the equivalent of AUD\$350,000 in MBK shares to GEMC and a Joint Venture will be formed on a 51% MBK, 20% EMA basis, with MBK sole funding and managing. During Phase 3, MBK will sole fund exploration expenditure of \$2M to earn an additional 29% interest in the project, taking MBK's total interest to 80%.

Upon MBK completing its Phase 3 expenditure commitment and moving to an 80% interest, EMA may elect to require MBK to buy

out EMA's remaining 20% interest for shares in MBK at a value to be agreed. If EMA does not make this election, both parties will jointly fund exploration, feasibility and development expenditure in their proportionate shares, with each parties' interest diluted in accordance with a standard industry dilution formula should either MBK or EMA not contribute.

### **MBK Option, Earn-in and JV Work Programs**

Note: Work programs are indicative and may change subject to exploration results.

#### **Phase 1 – Option Period**

- detailed geological mapping
- infill pXRF soil survey (25m spacing) and mapping to refine drilling locations
- reconnaissance drilling up to 4 reverse circulation (“RC”) holes (2 section lines) for up to 500m at Millennium North

#### **Phase 2 – Earn-in – Resource and exploration drilling**

- Millennium Resource
  - 2 x deep down dip extension test holes – for 600m (RC/DD)
  - 6 x resource infill holes – for 900m (RC/DD)
- Millennium North
  - 14 holes on 7 section lines at 100m spacing – 2,800m (RC)
- Federal/Corella Trend
  - early reconnaissance exploration – up to 4 x RC holes for up to 600m (RC)

#### **Phase 3 – Joint Venture – Resource upgrade and commencement of feasibility study**

- Millennium Resource upgrade (drill-out) – up to 2,500m

Diamond drilling

- Update Mineral Resource Estimate
- Commencement of feasibility study

#### **Phase 4 – Joint Venture**

- Completion of bankable feasibility study
- Development approvals
- Development
- Mining

1 HMX ASX Announcement dated 6 December 2016 “Millennium Mineral Resource Estimate”.

Copper equivalent (CuEq) calculation was based solely on commodity prices using prices as follows: Cu: US\$4,600/t; Co: US\$27,000/t; Au: US\$1,330/oz; and Ag: US\$20/oz

2 CDU:ASX Announcement dated 31 October 2017

3 GEMC News Release dated 6 September 2018

#### **Metal Bank Limited**

Metal Bank Limited is an ASX-listed minerals exploration company (ASX:MBK).

Metal Bank’s core focus is creating value through a combination of exploration success and quality project acquisition. The company’s key projects are the 8 Mile and Eidsvold gold projects situated in the northern New England Fold Belt of central Queensland, which also hosts the Cracow (3 Moz Au), Mt Rawdon (2 Moz Au), Mt Morgan (8 Moz Au, 0.4Mt Cu) and Gympie (5 Moz Au) gold deposits. The projects are both associated with historical goldfields and represent intrusion related gold systems (IRGS) with multi-million-ounce upside.

The Company has an experienced Board and management team which

brings regional knowledge, expertise in early stage exploration and project development, relevant experience in the mid cap ASX-listed resource sector and a focus on sound corporate governance.

The Company is committed to a strategy of diversification and growth through identification of new exploration opportunities which complement its existing portfolio and pursuit of other opportunities to diversify the Company's assets through acquisition of advanced projects or cash-flow generating assets to assist with funding of the exploration portfolio.

In pursuit of this strategy, the Company is actively reviewing new opportunities within Australia with a number of third parties under confidentiality arrangements. In addition, the Company is continuing to work with government and stakeholders in the MENA region with a view to securing an advanced copper exploration project.

### **Qualified Person**

Mr. Paul Sarjeant, P. Geo., is the qualified person for this release as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

### **[Global Energy Metals Corporation](#)**

**(TSXV:GEMC | OTC:GBLEF | FSE:5GE1)**

Global Energy Metals Corp. offers investment exposure to the growing rechargeable battery and electric vehicle market by building a diversified global portfolio of exploration and growth-stage battery mineral assets.

Global Energy Metals recognizes that the proliferation and growth of the electrified economy in the coming decades is underpinned by the availability of battery metals, including

cobalt, nickel, copper, lithium and other raw materials. To be part of the solution and respond to this electrification movement, Global Energy Metals has taken a 'consolidate, partner and invest' approach and in doing so have assembled and are advancing a portfolio of strategically significant investments in battery metal resources.

As demonstrated with the Company's current copper, nickel and cobalt projects in Canada, Australia, Norway and the United States, GEMC is investing-in, exploring and developing prospective, scaleable assets in established mining and processing jurisdictions in close proximity to end-use markets. Global Energy Metals is targeting projects with low logistics and processing risks, so that they can be fast tracked to enter the supply chain in this cycle. The Company is also collaborating with industry peers to strengthen its exposure to these critical commodities and the associated technologies required for a cleaner future.

Securing exposure to these critical minerals powering the eMobility revolution is a generational investment opportunity. Global Energy Metals believe the time to be part of this electrification movement.

**For Further Information:**

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### **Cautionary Statement on Forward-Looking Information:**

Certain information in this release may constitute forward-looking statements under applicable securities laws and necessarily involve risks associated with regulatory approvals and timelines. Although Global Energy Metals 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 developments may differ materially from those in the forward-looking statements. Except as required by law, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

GEMC's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of 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.

For more information on Global Energy and the risks and

challenges of their businesses, investors should review the filings that are available at [www.sedar.com](http://www.sedar.com).

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