TNR Gold Reports on Mariana Lithium Royalty Holding

written by Raj Shah | January 28, 2019

January 28, 2019 (Source) – **TNR Gold Corp. (TSXV: TNR)** ("**TNR**" or the "**Company**") advises that further to the Company's news release dated December 12, 2018, International Lithium Corp. (TSX-V: ILC) ("ILC") has issued a news release dated January 22, 2019 in relation to the Mariana Lithium project in Salta Province, Argentina. TNR holds a 1.8% Net Smelter Returns ("NSR") Royalty on the Mariana project.

The news release issued by ILC states that a technical report "Preliminary Economic Assessment of the Mariana Lithium Brine Project," or "PEA" with an effective date of November 15, 2018, is now available under ILC's profile on SEDAR, http://www.sedar.com.

The Mariana Lithium project is owned 82.754% by Ganfeng Lithium and 17.246% by ILC.

Highlighted results of the PEA as reported by ILC:

- 25-year mine life producing 10,000 tonnes per year ("TPY") Lithium Carbonate Equivalent ("LCE") plus 84,000 TPY Sulphate of Potash ("SOP").
- The estimated CAPEX and OPEX are for a conventional brine extraction facility, solar evaporation ponds and SOP processing with a level of accuracy of -30/+50%.
- CAPEX estimated at US $243 million for 25-year mine life.
- NPV = US $192 million after-tax at 10% discount rate, IRR

= 20% post-tax.

- Project results remain positive, even with important negative variations on the driver variables, indicating project strength and resilience; thus, the PEA study indicates Mariana's proposed 10,000 TPY LCE concentrated brine and 84,000 TPY SOP fertilizer operation has the potential to generate strong economic returns.

The following table taken from ILC's news release dated December 6, 2018 presents the Project's base case economic analysis results.

Description	Units	LCE	SOP	Total
Production	tpy	10,000	84,000	
Mine Life	years			25
Capital Cost (CAPEX)	US$			243,425,000
Operating Cost (OPEX)	US$			46,666,000
Lithium Carbonate Refining Cost	US$/t	2,900	N/A	
Average Selling Price	US$/t	9,683	550	
Annual Revenue	US$	96,830,000	46,200,000	143,030,000
Discount Rate	%			10%
Net Present Value (NPV) Pre-Tax	US$			288,017,000
Internal Rate of Return (IRR) Pre-Tax	%			23.7
Net Present Value (NPV) Post-Tax	US$			**191,670,000**
Internal Rate of Return (IRR) Post-Tax	%			**20**

The technical report issued in accordance with Canadian National Instrument 43-101 – *Standards for Disclosure of Mineral*

Projects (“NI 43-101″) and containing the results of the PEA, with the effective date of November 15, 2018, is now filed on SEDAR. All information in this announcement is based on ILC’s news release.

ILC press releases and website material appear to be prepared by Qualified Persons and the procedures, methodology and key assumptions disclosed therein are those adopted and consistently applied in the mining industry, but no Qualified Person engaged by TNR Gold Corp. has done sufficient work to analyze, interpret, classify or verify ILC’s information to determine the current mineral resource or other information referred to in their press releases. Accordingly, the reader is cautioned in placing any reliance on the disclosures therein.”

“The Mariana Lithium PEA study for ILC is the first preliminary economic study that provides a potential value for the total NSR Royalty from the project’s life of mine cash flow. TNR does not have to contribute any capital for development of Mariana Lithium and 1.8% NSR Royalty is an important part of TNR’s portfolio,” stated Kirill Klip, Executive Chairman of TNR. “The essence of our business model is to have industry leaders like Ganfeng Lithium as operators on the projects that will potentially generate royalty cash flows to contribute significant value for our shareholders.”

Afzaal Pirzada, a “Qualified Person” for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, has reviewed and approved the scientific and technical information contained in this news release

ABOUT TNR GOLD CORP.

TNR Gold Corp. is working to become the green energy metals royalty company.

Over the past twenty-three years, TNR, through its lead generator business model, has been successful in generating high-quality exploration projects around the globe. With the Company's expertise, resources and industry network, it identified the potential of the Los Azules copper project in Argentina and now holds a 0.36% NSR royalty on the entire project, which is being developed by McEwen Mining Inc.

TNR holds a strategic stake in International Lithium Corp. ("ILC"), a green energy metals company that was created through the spin-out of TNR's energy metals portfolio in 2011. ILC holds interests in lithium projects in Argentina, Ireland and Canada.

TNR retains a 1.8% NSR royalty on the Mariana Lithium property in Argentina. ILC has a right to repurchase 1.0% of the NSR royalty on the Mariana Lithium property of which 0.9% relates to the Company's NSR interest. The Company would receive $900,000 on the execution of the repurchase. The project is currently being advanced in a joint venture between ILC and Ganfeng Lithium International Co. Ltd.

TNR provides significant exposure to gold through its 90% holding in the Shotgun gold porphyry project in Alaska. The project is located in South-Western Alaska near the Donlin Gold project, which is being developed by Barrick Gold and Novagold Resources Inc.

The Company's strategy with Shotgun is to attract a joint venture partner with one of the gold major mining companies. The Company is actively introducing the project to interested parties.

At its core, TNR provides significant exposure to gold, copper and lithium through its holdings in Alaska (the Shotgun gold porphyry project) and Argentina, and is committed to the continued generation of in-demand projects, while diversifying

its markets and building shareholder value.

On behalf of the Company,

Kirill Klip
Executive Chairman

www.tnrgoldcorp.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statement Regarding Forward-Looking Information

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "will", "could" and other similar words, or statements that certain events or conditions "may" or "could" occur, although not all forward-looking statements contain these identifying words. Specifically, forward-looking statements in this news release include, but are not limited to, statements made in relation to: TNR's corporate objectives, changes in share capital, market conditions for energy commodities, the results of McEwen Mining's and ILC's PEAs, and improvements in the financial performance of the Company. Such forward-looking information is based on a number of assumptions and subject to a variety of risks and uncertainties, including but not limited to those discussed in the sections entitled "Risks" and "Forward-Looking Statements" in the Company's interim and annual Management's Discussion and Analysis which are available under the Company's profile on www.sedar.com. While management

believes that the assumptions made and reflected in this news release are reasonable, should one or more of the risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. In particular, there can be no assurance that: TNR will be able to repay its loans or complete any further royalty acquisitions or sales; debt or other financing will be available to TNR; or that TNR will be able to achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking statements included herein are not guarantees of future performance, and such forward-looking statements should not be unduly relied on.

In formulating the forward-looking statements contained herein, management has assumed that business and economic conditions affecting TNR and its royalty partners, McEwen Mining Inc. and International Lithium Corp. will continue substantially in the ordinary course, including without limitation with respect to general industry conditions, general levels of economic activity and regulations. These assumptions, although considered reasonable by management at the time of preparation, may prove to be incorrect.

Forward-looking information herein and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.