

TRU Precious Metals Signs Definitive Option Agreement with Subsidiary of Altius Minerals to Purchase Golden Rose Project

written by Raj Shah | February 24, 2021

February 24, 2021 ([Source](#)) – TRU Precious Metals Corp. (TSXV:TRU) (OTCQB:TRUIF) (“TRU” or the “Company”) is pleased to announce that it has signed a definitive option agreement dated February 23, 2021 (the “Option Agreement”) with a subsidiary of TSX-listed Altius Minerals Corporation (TSX:ALS) (“Altius”) to purchase Altius’ Golden Rose Project (as defined below). This is further to the Company’s press releases dated January 7, 2021 and February 2, 2021.

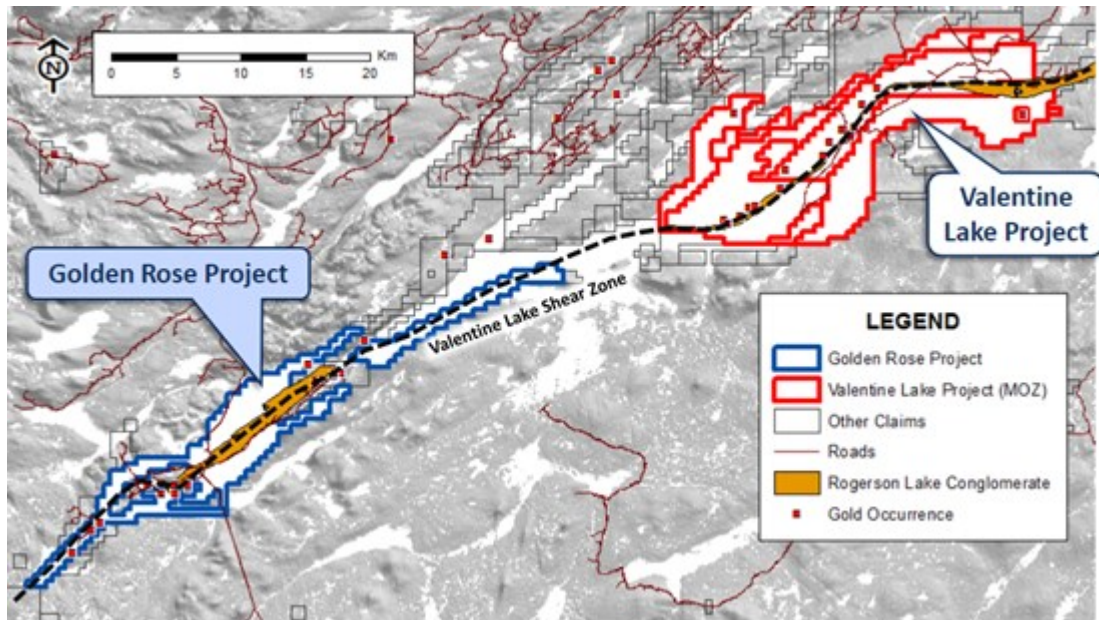
TRU Co-Founder and CEO Joel Freudman commented: “We are excited by the prospects of this historically explored property. Golden Rose is ideally located along the deposit-bearing Cape Ray – Valentine Lake Shear Zone, with highway access, in a mining-friendly jurisdiction. We believe that the long-term prospects for gold are very robust and as such we could not ignore the opportunity that we feel the Golden Rose Project represents. In addition, upon closing of this transaction, we will be delighted to welcome Altius to TRU’s shareholder base as a strategic investor, holding an approximate 19.9% stake.”

Golden Rose Project

The Golden Rose Project is a regional-scale land package covering 105 km² within the Valentine Lake structural corridor,

and is easily accessible via provincial highway and forest access roads. It is located between Marathon Gold Corp.'s Valentine Gold Project to the northeast and Matador Mining Ltd.'s Cape Ray Gold Project to the southwest.

Figure 1: Golden Rose Project Regional Location



To view an enhanced version of Figure 1, please visit:

https://orders.newsfilecorp.com/files/5993/75333_6b67ab6304db18d7_001full.jpg

A technical description of the Golden Rose Project is available in the Company's press release dated January 7, 2021.

Terms of the Option Agreement

TRU has entered into the Option Agreement, by which Altius grants to TRU the exclusive right and option (the "Option") to acquire, subject to retention by Altius of a maximum 2.0% net smelter return ("NSR") royalty, its 100% interest in a package of mineral claims located in the southwestern portion of the Central Newfoundland Gold Belt (the "Altius Claims"). Altius has also agreed to assign an existing option agreement (the "Rose

Gold Agreement”, and together with the Option Agreement, collectively, the “Transaction”) under which Shawn Rose (the “Rose Optionor”) has granted the exclusive right and option to acquire, subject to retention by the Rose Optionor of a royalty, his 100% interest in certain surrounding mineral claims known as the Rose Gold claims (the “Rose Gold Claims”). Collectively, the Altius Claims and the Rose Gold Claims, as well as any future claims added within a defined area of interest around the Rose Gold Claims and the Altius Claims, will be called the “Golden Rose Project”.

In order to acquire a 100% interest in the Golden Rose Project, the Company must issue such number of common shares in the capital of TRU (“TRU Shares”) as set forth below, and fund a total of \$3,000,000 in exploration expenditures:

Date	TRU Share Issuance	Exploration Funding Commitment
Closing date (“Closing Date”) of the Option Agreement	7,140,000 TRU Shares, at a deemed price of \$0.25 per TRU Share	Nil
By one (1) month from the Closing Date	800,000 TRU Shares, at a deemed price of \$0.25 per TRU Share	Nil
By February 23, 2022	800,000 TRU Shares, at a deemed price of \$0.25 per TRU Share	\$500,000
By February 23, 2023	1,400,000 TRU Shares, at a deemed price of \$0.25 per TRU Share	An additional \$1,000,000

By February 23, 2024	Nil	An additional \$1,500,000
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Notwithstanding the foregoing, the Option Agreement provides that on any given TRU Share issuance date only that number of TRU Shares will be issued which will result in the total shareholdings of Altius not exceeding 19.9% percent of the issued and outstanding TRU Shares as of the date of the issuance (provided such TRU Shares shall remain issuable by TRU prior to full exercise of the Option).

In addition, TRU must pay the Rose Optionor: (i) \$22,500, in cash or by issuance of TRU Shares, at the election of the Rose Optionor, on November 30, 2021; and (ii) \$37,500, in cash or by issuance of TRU Shares, at the election of the Rose Optionor, on November 30, 2022. The deemed value of such TRU Shares, if issued in lieu of cash, shall be the greater of (a) \$0.25 per TRU Share and (b) the closing price of such TRU Shares on the TSX Venture Exchange (the "Exchange"), on the day prior to such payment date.

TRU will also have to pay the Rose Optionor a \$250,000 cash bonus if TRU defines at least 1,000,000 ounces of gold on the Rose Gold Claims in the Measured & Indicated categories of a National Instrument 43-101 mineral resource estimate. TRU shall also grant the Rose Optionor a 2.0% NSR on any future mineral production at the Rose Gold Claims.

Upon TRU fulfilling the initial issuance of TRU Shares under the Option Agreement, Altius is expected to have an approximately 19.9% ownership interest in TRU, based on the current number of issued and outstanding TRU Shares. Altius also has a right to participate in future financings by TRU in order to maintain its ownership interest up to a maximum of 19.9%. Neither Altius nor

the Rose Optionor is a Non-Arm's Length Party (as such term is defined in Exchange Policy 1.1) to the Company, nor is the Rose Optionor a Non-Arm's Length Party to Altius, and as such the Transaction is an Arm's Length Transaction (as such term is defined in Exchange Policy 1.1).

Upon exercise of the Option, Altius will retain the NSR from any future mineral production at the Golden Rose Project, subject to a reduction for any underlying royalty obligations held by third parties, including the royalty retained by the Rose Optionor.

Pursuant to the Option Agreement, the completion of the Transaction is subject to a number of conditions including, among others: (i) conditional approval of the Exchange in respect of the Transaction and the listing of the TRU Shares to be issued pursuant thereto; (ii) requisite approval by the shareholders of the Company; (iii) Altius being the registered and beneficial owner of a 100% interest in the Golden Rose Project free and clear of all encumbrances, subject to as provided in the Rose Gold Agreement; (iv) TRU adding not less than \$3,000,000 of gross cash proceeds from equity financing activities and property-level transactions by February 23, 2023; and (v) no material adverse change having occurred with respect to the Company or the Golden Rose Project. The TRU Shares are expected to remain halted from trading until on or shortly after the Closing Date.

Qualified Person

Barry Greene, P.Geo. is a qualified person as defined by National Instrument 43-101 and has reviewed and approved the contents and technical disclosures in this press release. Mr. Greene is a director and officer of the Company and owns securities of the Company.

About TRU Precious Metals Corp.

TRU has assembled a portfolio of 5 gold exploration properties in the highly prospective Central Newfoundland Gold Belt. The Company has entered into a definitive option agreement with a subsidiary of TSX-listed Altius Minerals Corporation (TSX:ALS) for the option to purchase 100% of the Golden Rose Project, located along the deposit-bearing Cape Ray – Valentine Lake Shear Zone. TRU also owns 100% of the Twilite Gold Project, located along the same Shear Zone, and 3 under-explored properties including its Rolling Pond Property (under option) bordering New Found Gold Corp.'s high-grade Queensway Project. TRU's common shares trade on the TSX Venture Exchange under the symbol "TRU" and on the OTCQB Venture Market under the symbol "TRUIF".

TRU is a portfolio company of Resurgent Capital Corp. ("Resurgent"), a merchant bank providing venture capital markets advisory services and proprietary financing. Resurgent works with promising public and pre-public micro-capitalization Canadian companies. For more information on Resurgent and its portfolio companies, please visit Resurgent's LinkedIn profile at <https://ca.linkedin.com/company/resurgent-capital-corp>.

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To connect with TRU via social media, below are links:

Facebook

<https://www.facebook.com/TRU-Precious-Metals-Corp-10091919519361>

[6](#)

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YouTube

<https://www.youtube.com/channel/UCHghHMDQaYgS1rDHiZIELUg/>

Cautionary Statements

Completion of the transactions contemplated herein is subject to a number of conditions, including but not limited to Exchange acceptance and, if applicable, disinterested shareholder approval. Where applicable, the transactions cannot close until the required shareholder approval is obtained. There can be no assurance that the transactions will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the transaction, any information released or received with respect to the Change of Business (as described in the Company's press release dated February 2, 2021) may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. Neither the Exchange nor its Regulation Services Provider (as that term is defined in policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release contains certain forward-looking statements, including those relating to completion of the Transaction, and

the outlook for the gold sector. These statements are based on numerous assumptions regarding the Golden Rose Project, the Option, and the Transaction that are believed by management to be reasonable in the circumstances, and are subject to a number of risks and uncertainties, including without limitation: mineralization hosted on adjacent and/or nearby properties is not necessarily indicative of mineralization hosted on the Golden Rose Project; the exploration or monetization potential of the Golden Rose Project and the nature and style of mineralization at the Golden Rose Project; challenges in identifying, structuring, and executing transactions on favourable terms or at all; risks inherent in mineral exploration activities; volatility in financial markets, economic conditions, and precious metals prices; and those other risks described in the Company's continuous disclosure documents. Actual results may differ materially from results contemplated by the forward-looking statements herein. Investors and others should carefully consider the foregoing factors and should not place undue reliance on such forward-looking statements. The Company does not undertake to update any forward-looking statements herein except as required by applicable securities laws.