Millrock and Kinross to Explore Liberty Bell Gold Project, Alaska

Gregory A. Beischer, Millrock’s President & CEO commented: “We are pleased that Kinross will enter another joint exploration effort with Millrock. This will be the third such collaboration between the companies. We hope that the results of the discovery will be explosive and gold-rich.”

In order to earn a 70% joint venture interest, Kinross must, at its option:
- Provide US$1.0 million in exploration funding and property maintenance over 5 years;
- Pay a 3% NSR royalty to Millrock on the earnings from the project to the end of the 5 year period;
- Pay US$150,000 in management fees to Millrock; and
- Manage and exercise its exploration program in accordance with the Joint Venture Agreement.

Upon vesting, Kinross will earn a 70% ownership in the Liberty Bell project and Millrock will retain 30%. Further exploration and development costs will be shared pro-rata. Millrock will acquire a 1.0% NSR royalty when the joint venture is formed. In the event that a party to the Agreement dilutes to less than 10% equity interest, such interest will convert automatically to a 2.0% NSR royalty, half of which may be purchased for US$1.5 million per year. Total NSR payments under the option and joint venture agreements will be capped at US$500,000. Advanced minimum royalties will be deducted from any NSR royalty payable.

The project consists of claim blocks owned outright by Millrock and other claim areas upon which Millrock holds an interest to purchase a 100% interest from Best Hill Gold Ltd. (a private Alaska company). The acquisition of the property was announced by Millrock in October 2015. By the mutual agreement of Best Hill Gold and Millrock, the term of this agreement has been extended to March 12, 2021. The payment schedule has also been changed such that the total payment, if the option is purchased in 2021, will be US$700,000.

The Liberty Bell project has potential for discovery of valuable gold deposits. A small gold deposit is known to exist on the property and the mineralization discovered by prior workers is in a gold-bearing pyrrhotite skarn. A full project description can be found here.

FINDER’S FEES

Finder’s fees will be payable by Millrock to Steven Borell of Anchorage, Alaska, and Curtis Freeman of Fairbanks, Alaska, by Millrock. The fees will be calculated as a percentage of exploration expenditures and will become payable when the property is sold or optioned to a third party. In the event that a party to the Agreement dilutes to less than 10% equity interest, such interest will convert automatically to a 2% NSR royalty, half of which may be purchased for US$1.5 million per year. Total NSR payments under the option and joint venture agreements will be capped at US$500,000. Advanced minimum royalties will be deducted from any NSR royalty payable.

About Millrock Resources

Millrock Resources Inc. is a premier project generator to the mining industry. Millrock identifies, packages and generates project opportunities for development and discovery-stage assets. The Company is focused on generating high-quality precious metals royalty interests. Millrock’s stock symbol is “MLRKF” on the TSX Venture Exchange and “ML.RF” on the OTCQX.

The fees are subject to approval by the TSX Venture Exchange. Advanced minimum royalties will be deducted from any NSR royalty payable.

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