

# CLEAN AIR METALS CLOSES FIRST TRANCHE OF C\$15 MILLION ROYALTY FINANCING AGREEMENT WITH TRIPLE FLAG PRECIOUS METALS CORP

THUNDER BAY, ON, CANADA, December 19, 2022 /EINPresswire.com/ -- Clean Air Metals Inc. ("Clean Air Metals") (the "Company") AIR: TSXV; CLRMF: OTCQB; CKU: DB, has closed the first tranche in the amount of C\$10 million of a C\$15-million mineral royalty financing agreement (the "TF Royalty Agreement") effective December 16, 2022 (the "Effective Date") with Triple Flag



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*Jim Gallagher, Executive Chair*

Precious Metals Corp. ("Triple Flag"). The TF Royalty Agreement features a 2.5% net smelter returns ("NSR") mining royalty for all mineral product produced on the Thunder Bay North Critical Minerals (Platinum, Palladium, Copper, Nickel) Project in Northern Ontario, Canada, temporarily excepting the Escape claims.

The second tranche, consisting of C\$5 million, will be paid on or before 110 days from the Effective Date of the TF Royalty Agreement, allowing time for due diligence and a decision by Rio Tinto Exploration Canada Inc. ("RTEC") on whether or not to sell its 1% NSR royalty on the Escape

claims to Clean Air Metals for C\$2 million, subject to certain conditions ("Put Option No. 1"). RTEC also has an alternative option to sell its 1% NSR to Clean Air Metals for C\$3.5 million at a future date ("Put Option No. 2") or may elect not to sell its 1% NSR at all. Put Option No. 2 is valid for the period from June 30, 2024 until 60 days after filing of a "Feasibility Study" (as such term is defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects) on SEDAR. The Tranche 1 and Tranche 2 payment areas are shown in the accompanying map link Figure 1 Triple Flag Royalty Map.

Benton Resources Inc. has also provided its consent for the application of the TF Royalty Agreement to the former Thunder Bay North claims previously held by Panoramic Resources Inc. and ultimately to the Escape claims formerly held by Benton Resources under option with RTEC. At either the expiry or closing of Put Option No. 1 or the election of RTEC to move to Put Option No. 2 or not to sell its 1% NSR at all, Clean Air Metals and Triple Flag will close the second tranche and the TF Royalty Agreement shall also apply to the Escape claims and be posted on title of the

Escape claims.

## Use of Proceeds

Proceeds of the royalty financing will be used: (i) to finance the last instalment payment of C\$1.5 million cash to Panoramic Resources Inc. as the final vesting condition of the option agreement with Benton Resources Inc. (reported May 15, 2020). On payment, Clean Air Metals will have fully earned a 100% interest in the Thunder Bay North Project and the Escape Project, now collectively called the Thunder Bay North Critical Minerals Project; (ii) to complete the Prefeasibility Study for the Project pursuant to National Instrument 43-101 under supervision of Chief Operating Officer Mike Garbutt, P.Eng.; (iii) to advance environmental and regulatory permitting activities; (iv) to advance further exploration activities, and (v) for general corporate and working capital purposes.

## Royalty Buydown

The TF Royalty Agreement entitles Triple Flag, through its subsidiary TF R&S Canada Ltd., a 2.5% NSR royalty paid using the net smelter returns, as defined in the TF Royalty Agreement, received by Clean Air Metals from the sale of all mineral products for the life of the collective Thunder Bay North Project and within an agreed area of interest (the "Area of Interest"). Clean Air Metals has also been granted the right by Triple Flag to buy down up to 40% of the NSR royalty and to reduce the NSR percentage to 1.5% on at any time on or before three years following the Effective Date of the TF Royalty Agreement, for C\$10.5-million, assuming the closing of both Tranche 1 and Tranche 2 payments.

Jim Gallagher, P.Eng., Executive Chair of Clean Air Metals, commented: "This sizeable, early-stage investment by Triple Flag made after a significant due diligence review demonstrates the inherent potential value of the Thunder Bay North Critical Minerals Project. We appreciate Triple Flag's confidence in the Clean Air Metals team's ability to engineer, permit and construct a mine at Thunder Bay North."

Abraham Drost, Chief Executive Officer of Clean Air Metals, commented: "The exploration upside at this Mid-Continent Rift related mineral system being developed at Thunder Bay North is considerable. We look forward to continuing the search for the source of high value massive sulphide deposits in feeder zone structures, for the benefit of our Indigenous partners and other stakeholders, Clean Air Metals shareholders and our new finance partner Triple Flag Precious Metals Corp."

## Right of First Refusal on Project Finance

Clean Air Metals has also granted Triple Flag a right of first refusal to match any bona fide written offer that it is willing to accept from any person dealing at arm's length with Clean Air Metals or any of its affiliates to enter into a stream, royalty or similar financing arrangement in or with

reference to mineral products extracted from ore which originates within the Thunder Bay North Project and the Area of Interest.

To view the full press release please visit <https://cleanairmetals.ca/news-media/news-releases/>.

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