Far Resources completes their Green Bay option

Far Resources Ltd. {TSX.V: FAT}

Has completed final payment obligations under its agreement to secure a 100-per-cent interest in its Green Bay option, located near the historic mining town of Snow Lake in mining-friendly Manitoba, Canada.

Far Resources completes Green Bay option

2019-08-09 06:14 ET – News Release

Mr. Toby Mayo reports

FAR RESOURCES COMPLETES OPTION ON THEIR GREEN BAY PROPERTY, MANITOBA, TO SECURE 100% OWNERSHIP OF AT LEAST SEVEN HIGH-GRADE DYKES AT ITS ZORO LITHIUM PROJECT

Far Resources Ltd. has completed final payment obligations under its agreement to secure a 100-per-cent interest in its Green Bay option, which is part of the 3,603-hectare, high-grade Zoro lithium project, located near the historic mining town of Snow Lake in mining-friendly Manitoba, Canada.

Toby Mayo, president and chief executive officer of Far, commented: *"The company has now completed five successful drilling campaigns on Zoro generating a robust mineral resource of over one million tonnes at close to 1 per cent lithium oxide, discovered multiple previously unknown lithium-bearing pegmatites and generated a strong portfolio of additional targets throughout the property. Securing the final option on Zoro consolidates a significant landholding and ensures that Far is well-set-up for future resource growth."*

Far has applied modern exploration techniques over approximately one third of the total Zoro project area. These programs have resulted in the discovery of thirteen dikes as well as the definition of numerous additional targets, some of which are drill ready. Management believes the potential for additional discoveries at Zoro is very significant.

The company's exploration has so far expanded the area of Zoro dike field to over 1,000 hectares highlighting the potential for significant expansion of the existing mineral inventory.

The Zoro lithium project

The Zoro project consists of 16 claims with a total of 3,603 hectares, now wholly owned by Far. The fifteen recently acquired claims are now added to the Zoro 1 claim (100 per cent owned by Far), which were optioned from the property vendor Strider Resources Limited.

In 2016, Far Resources and Strider Resources entered an option agreement, whereby Far Resources could earn 100-per-cent interest of certain claims and extensions, subject to a 2-per-cent net smelter return royalty to Strider Resources. A second option agreement was expanded in 2017 to include a further 10 claims. Subsequently two further claims were added in the same year.

Far Resources has satisfied the terms of the final year of the option agreement for the Green Bay option including cash, shares and exploration expenditures and now controls 100 per cent of the lithium mineralisation on all Zoro options (see press release dated Aug. 10, 2016).

Lithium resources and mineralisation on the Zoro 1 claim and Green Bay option

The Zoro1 claim

The Zoro 1 claim hosts high-grade D1 dike, with a National Instrument 43-101-compliant inferred resource of 1.07 million tonnes at 0.91 per cent lithium oxide (0.3 per cent lithium oxide cut-off). The resource also includes anomalous beryllium, caesium, gallium, rubidium and tantalum. The deposit is open at depth and to the south and future exploration will target these potential extensions of the mineralisation. Preliminary metallurgical testwork demonstrate favourable characteristics of mineralogy and mineral chemistry and indicate routine industry practices may produce a lithium concentrate of 6 per cent lithium oxide or greater.

The Green Bay option

There are seven spodumene-bearing pegmatite dikes on the Green Bay option, including the highly significant dike 8, discovered by Far during its winter 2017/2018 drill program. Grades in excess of 6.3 per cent lithium oxide have been returned from drilling and up to 4.0 per cent lithium oxide from rock chip sampling of outcrops, with local tantalum assays of up to 0.113 per cent. This underscores the endowment of this ground and its importance to the project.

Exploration program for 2019

As released on July 3, 2019, further exploration is being planned for the Zoro property in those areas where no exploration has been undertaken to date. An assessment of all of the data collected to date is ongoing and the next field work program will consist of geochemical sampling and mapping supported by lidar (light detection and ranging) imagery to assess areas of visible outcrop or where overburden cover is shallow. An application has been submitted to the Manitoba Office of Sustainable Development for work permits related to this program.

Shares for debt settlement

The company has reached debt settlement agreements with certain consultants, current and past management and directors. In lieu of cash payments, a total of 18,257,737 shares will be issued at a price of five cents per share to settle $912,867 of outstanding amounts.

All settlement shares issued will be subject to a four-month-plus-one-day hold period from the date of issuance, in accordance with applicable securities laws.

Qualified person

The technical content of this news release has been reviewed and approved by Mark Fedikow, PGeo, a qualified person as defined under NI 43-101.

About Far Resources Ltd.

Far Resources is a Canadian battery and technology metals exploration and development company with projects in Canada and the United States.