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OTCQB – BMTLF  
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February 17, 2021

## **BeMetals Enters the Gold Sector with Acquisitions in Japan and Announces B2Gold as New Strategic Investor**

**VANCOUVER, CANADA - BeMetals Corp. (TSXV: BMET, OTCQB: BMTLF, Frankfurt: 10I.F)** (the “Company” or “BeMetals”) is pleased to announce that it has signed an Amalgamation Agreement (the “Agreement”) to acquire privately owned Kronk Resources Inc. (“Kronk”) and its wholly owned subsidiary Kazan Resources (“Kazan”), which holds the rights to a highly prospective portfolio of advanced and early stage gold exploration projects in Japan (the “Transaction”). *See Figure 1 for project locations in Japan.* In addition, BeMetals is pleased to announce a non-brokered private placement of \$7.5 million (the “Offering”) through the issuance of approximately 17.05 million shares of BeMetals at \$0.44 per share to senior gold producer and new strategic investor, B2Gold Corp. (TSX: BTO, NYSE American: BTG, NSX: B2G) (“B2Gold”), subject to successful closing of the Transaction. B2Gold is an existing shareholder of Kronk, owning approximately 15.4 million shares of the company. Following the Transaction and Offering, B2Gold will hold approximately 19% of BeMetals’ outstanding shares. All dollar figures are in Canadian dollars unless otherwise indicated.

### **TRANSACTION AND OFFERING HIGHLIGHTS:**

#### ***Benefits to BeMetals Shareholders***

- The Transaction establishes BeMetals in the gold sector with an expertly selected portfolio of gold properties in Japan, including the advanced exploration-stage Kato Project in Hokkaido. This delivers on the goal of identifying quality entry level gold projects;
- Through the Offering, B2Gold will become a new strategic investor and a major shareholder of BeMetals, holding approximately 19% of the Company’s outstanding shares post-closing of the Transaction and the Offering. This provides a strong technical cornerstone investor in the Company. In addition, BeMetals will have access to B2Gold’s experienced exploration team to assist in evaluating additional precious metals projects;
- Japan possesses extensive geological settings prospective for gold mineralization which have attracted several international gold producers including B2Gold;
- The Offering also provides BeMetals with appropriate capital to advance the Company’s gold exploration in Japan, its existing quality exploration and development projects, as well as fund further evaluations for additional precious metals opportunities.

#### ***Benefits to Kronk Resources Shareholders***

- Provides Kronk investors with exposure to BeMetals’ high-grade polymetallic South Mountain Project in Idaho, U.S.A., now entering the Preliminary Economic Assessment stage, and its tier-one targeted, Pangeni Copper Exploration Project in Zambia;

- This Transaction unlocks value for Kronk's investors with a significant return upon its last private fundraising round, and by providing the benefits of a public listing;
- Additionally, Kronk's investors will be well positioned to benefit from both the upside of the gold properties in Japan with further B2Gold investment, and BeMetals' other quality exploration and development assets combined with the strategic growth plans of the Company.

### ***Benefits to B2Gold***

- The Transaction allows B2Gold to maintain a strategic investment in precious metals projects that might not otherwise meet B2Gold's investment criteria at the outset. B2Gold may also act as a pipeline for other such precious metals projects for BeMetals to evaluate;
- Positions B2Gold as a strategic investor in an emerging base and precious metals exploration and development resource company with a focused management team, access to capital, internationally recognized advisors, and a highly experienced board of directors;
- The Transaction will provide for the aggressive and focused exploration of these properties in Japan, a country that is attracting increased attention in the gold exploration space.

BeMetals President and CEO, John Wilton stated, "After reviewing numerous precious metals projects we are delighted to have secured this exceptional package of gold properties in Japan. Kronk assembled, with support from B2Gold, this land position in Japan. This Transaction provides BeMetals with excellent direct exposure to gold exploration properties in areas of Japan known to have hosted numerous historical high-grade mines including, but not limited to, the currently operating Hishikari Gold Mine, which produced 7.9 million ounces of gold from 1985-2020 at an average grade of 30-40 grams per tonne gold<sup>(1)</sup>. B2Gold's investment into BeMetals represents a strong endorsement of our team, delivery on existing projects, and for gold exploration in Japan. We believe the strategic investment from B2Gold could open the door to future opportunities both within Japan and in other regions around the world."

Dr. Richard Sillitoe, an internationally recognised expert on the style of gold mineralization seen in Japan and Technical Advisor to BeMetals since inception, conducted field work on the Kato Project, within this package of properties, and other similar projects in Japan during the 1990s. This work was undertaken on behalf of the Metal Mining Agency of Japan, a government entity. He commented, "The Kato Project and its environs appear to possess many of the important geological features required for the formation of high-grade gold mineralization potentially amenable to underground extraction."

Mr. Wilton concluded, "The Company looks forward to defining and testing existing drill targets on the Japan properties with the objective to start field activities shortly. In combination with our existing high-grade polymetallic (zinc-silver-gold-copper) South Mountain Project in Idaho, U.S.A., now entering the Preliminary Economic Assessment stage, and our Pangeni Copper Exploration Project in Zambia, this Transaction creates a unique portfolio of valuable assets to grow the Company."

### **TRANSACTION DETAILS**

Under the terms of the Agreement, BeMetals has agreed to acquire all the issued and outstanding common shares of Kronk Resources Inc. on the basis of 0.5169 shares of BeMetals per share of Kronk held ("Primary Exchange Ratio"). In connection with the Agreement, Certain Individuals (as hereinafter defined) have entered into a separate share purchase agreement with BeMetals to receive a lower exchange of 0.2585 shares of BeMetals per share of Kronk held (the "Secondary Exchange Ratio", and together with the Primary Exchange Ratio, the "Exchange Ratios"). The Primary Exchange Ratio represents a total consideration of approximately \$0.20 per share of Kronk and the Secondary Exchange Ratio represents a total consideration of \$0.10 per share of Kronk.

The Exchange Ratios are based upon BeMetals' volume weighted average price ("VWAP") in Canada of \$0.3869 per share for the 20-day period ending January 26, 2021.

The Secondary Exchange Ratio is less favourable to certain shareholders of Kronk that are also shareholders or directors of BeMetals as well as directors or officers of B2Gold (the "Certain Individuals"). These Certain Individuals have agreed to receive a reduced consideration equal to the most recent equity financing price of Kronk, without any appreciation based upon the advancement of Kronk's assets.

BeMetals will issue approximately 32,629,956 shares in connection with the acquisition of Kronk. It is anticipated that both BeMetals and Kronk will require shareholder approval to close the Transaction.

The Transaction will be carried out by way of an amalgamation of Kronk Resources Inc. and a wholly owned subsidiary of BeMetals. Several directors of BeMetals are also directors or officers of Kronk and B2Gold (the "Non-Arm's Length Parties") and pursuant to the policies of the TSX Venture Exchange, the Transaction will therefore require the approval of at least 50% of the votes cast by disinterested BeMetals shareholders. The Agreement includes customary provisions, including non-solicitation, as well as certain representations, covenants and conditions that are customary for a transaction of this nature. Closing of the Transaction is subject to the receipt of applicable regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature, including the approval of the TSX Venture Exchange. The acquisition of Kronk's assets is not a "fundamental acquisition" as defined in the policies of the TSX Venture Exchange. The Company expects to spend approximately 56% of its planned expenditures and management time on its existing properties over the next twelve months. Closing of the Transaction is anticipated to occur in early April 2021.

Further information regarding the Transaction will be contained in a management information circular to be prepared by BeMetals and mailed to its shareholders in connection with a special meeting of shareholders expected to be held in late March 2021, for the purpose of approving the Transaction.

#### **BOARD RECOMMENDATIONS AND FAIRNESS OPINIONS**

The Transaction has been unanimously approved by an independent committee of the board of directors of BeMetals formed for the purpose of reviewing and approving the transaction. The directors of BeMetals recommend that BeMetals shareholders vote in favour of the Transaction.

Raymond James Ltd. has provided a fairness opinion to the independent committee of the board of directors of BeMetals that, as of the date thereof, and based upon and subject to the assumptions, limitations and qualifications stated therein, the consideration to be offered by BeMetals under the Transaction is fair, from a financial point of view, to BeMetals.

The Transaction has also been approved by the board of directors of Kronk. Haywood Securities Inc. has provided a fairness opinion to the board of directors of Kronk that, as of the date thereof, and based upon and subject to the assumptions, limitations and qualifications stated therein, the consideration to be received by the shareholders of Kronk, other than Certain Individuals, under the Transaction is fair, from a financial point of view, to the shareholders of Kronk.

#### **THE OFFERING**

The Offering will consist of a total of approximately 17.05 million common shares of the Company at a price of \$0.44 per share (the "Shares"), based on the 5-day VWAP of BeMetals for the five days ended February 12, 2021, for gross proceeds of \$7,500,000. B2Gold has agreed to purchase the Shares subject to certain conditions, including successful closing of the Transaction and approval of the TSX Venture Exchange.

Proceeds from the Offering will be used to advance prospecting activities in Japan, continue evaluating further precious metals acquisition targets, for exploration and development studies at the Company's South Mountain Project in Idaho, U.S.A., for further exploration in Zambia, as well as for general working capital purposes.

The Shares issued in the Offering will be subject to a statutory four-month hold period from the date of closing in accordance with applicable securities legislation.

The securities to be offered pursuant to the Offering have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

## OVERVIEW OF GOLD EXPLORATION IN JAPAN

During the past decade, the Japanese mining industry has seen an emergence of investments from a select few foreign mining companies. The Mining Amendment Act of 2012 allows for foreign investment and development into the mining sector following years of limited exploration. Application of modern exploration technologies combined with classical field sampling and mapping is expected to lead to new discoveries and extensions to known high-grade gold deposits.

## THE KATO GOLD PROJECT, HOKKAIDO

The **Kato Gold Project** ("Kato" or the "Property") is Kronk's most advanced exploration project and covers close to 2,000 hectares in Hokkaido. See figure 1 for project location. The Property was drilled by the Japanese government's Metal Mining Agency of Japan ("MMAJ") in the 1990s and during that time intervals of high-grade gold including 17.5 metres grading 8.15 grams per tonne gold in hole 5MAHB-2 and 18.65 metres grading 5.01 g/t Au in hole 7MAHB-1 were returned. Little work was conducted on the Property since the 1990s until the Japanese Ministry of Economy Trade and Industry ("METI") granted the prospecting rights to Kronk in December 2017.

From 2018-2019, Kronk completed several holes which successfully intersected a zone of hydrothermal breccia near the adjacent main target vein. KT19-02A returned a number of zones of gold mineralization including 14 metres grading 2.10 g/t Au without intersecting the primary target vein. In 2020, Kronk deployed a larger drill rig and reached the primary target zone, intersecting over 50 metres of hydrothermal breccia, vein breccia, stockwork, and banded quartz-adularia veins in hole KT20-010. The hole intersected 58.9 metres grading 0.76 g/t Au, including 7.4 metres at 2.99 g/t Au, and ended in 2.8 metres grading 3.1 g/t Au. Table 1 illustrates these selected intersections and Table 2 shows all drill hole intersections for the Kato Project. Table 3 shows drill hole collar co-ordinates, elevation, azimuth, dip and end of hole depth. Figure 2 below illustrates the location of the drill collars, with traces of the holes and mineralized zones indicated. The simplified geological map shows the interpreted trends of the mineralized veins and breccias.

Further drilling will be required to follow-up on this priority target zone and other associated highly prospective targets, some of which have had little to no previous drill testing.

**Table 1: Kato Project: Selected Historical Drilling Intersections**

Drill Hole ID	From (m)	To (m)	Core Interval (m)	Au g/t	Drilled By
5MAHB-2	314.80	332.30	17.50	8.15	Metal Mining Agency of Japan
7MAHB-1	258.85	277.50	18.65	5.01	Metal Mining Agency of Japan
KT19-02A	120.48	177.05	56.57	0.80	Kronk

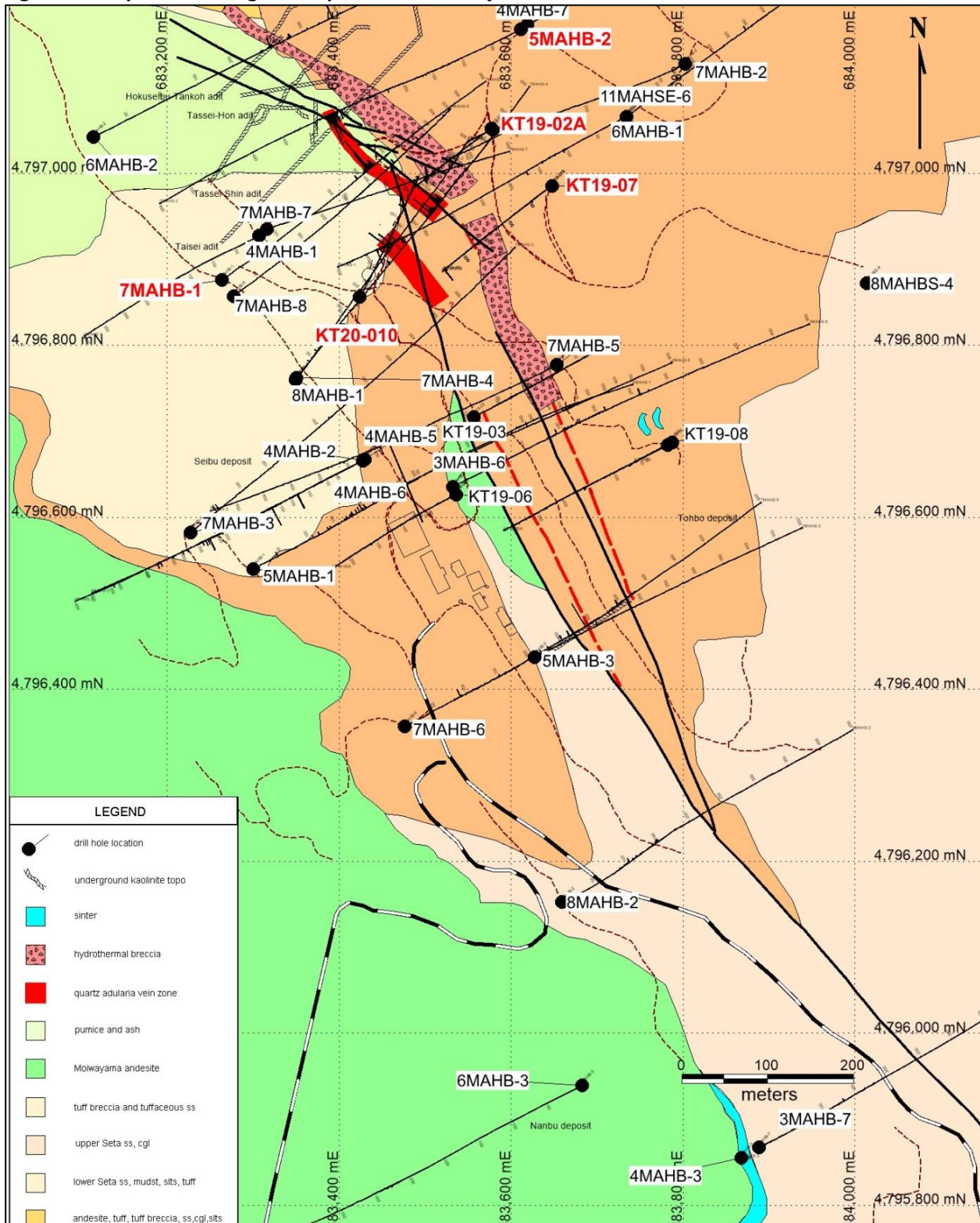
Including	136.95	164.50	27.55	1.40	Hole did not reach primary target
Including	150.50	164.50	14.00	2.10	
KT20-010					Kronk
Interval 1:	165.30	224.20	58.90	0.76	
<i>Including</i>	167.70	175.10	7.40	2.99	
Interval 2:	229.80	232.60*	2.80	3.10	

*These drill results are historical in nature. BeMetals has not undertaken any independent investigation of the sampling nor has it independently analyzed the results of the historical exploration work in order to verify the results. BeMetals considers these historical drill results relevant as the Company will use this data as a guide to plan future exploration programs. The Company also considers the data to be reliable for these purposes however the Company's future exploration work will include verification of the data through drilling. \*Drill hole ended in mineralization. It is estimated based upon the historical data that true widths might range from 80-90% of the drilled intersections. A nominal cut-off grade of 0.5 g/t Au has been applied to determine the boundaries of the intersections.*

**Figure 1: Project Locations Map**



Figure 2: Simplified Geological Map of the Kato Project Area with Drill Hole Locations and Traces.



## TASHIRO, HOKUSATSU, TODOROKI, AND KONOMAI PROJECTS

The **Tashiro Project** (“Tashiro”) is located in northeastern Kyushu. See Figure 1 above for project location. This property covers approximately 4,415 hectares and its prospecting rights were granted to Kronk in December 2017. In the 1990s, MMAJ conducted drilling on the property as part of a search for the next Hishikari Gold Mine, which is one of the highest-grade gold mining operations in the world. Mapping, soil sampling, and some geophysics were also undertaken, and the drilling program identified a vein swarm at what is known as the Noya zone where numerous highly anomalous gold intervals were intersected. Further fieldwork will be completed and it is likely a number of priority drill targets will be quickly generated.

The **Hokusatsu Project** is located in southwestern Kyushu and the property package is 2,792 hectares. See Figure 1 above for project location. The prospecting rights for this property were granted in July 2020 and no significant exploration work has been completed to date. This property is of interest due to its close proximity to two important gold occurrences on the property near the former Fuke<sup>(2)</sup> (historical production of 125,000 ounces at 10.5 g/t Au) and Ohkuchi<sup>(2)</sup> (783,000 ounces at 13.1 g/t Au) Mines. In addition, the high-grade Hishikari Gold Mine is located approximately 16 kilometres to the southeast of the Hokusatsu property.

The **Todoroki Project**, in southwestern Hokkaido, covers 5,181 hectares and its prospecting rights were granted in November 2018. See Figure 1 above for project location. Mapping and sampling of the existing mine workings within the property were completed and confirmed the prospectivity of the area. Further fieldwork will be undertaken to locate possible structures that could host gold bearing veins at depth. The Todoroki veins lie along a deeply incised canyon but other veins may exist where the level of erosion is shallower and failed to expose them.

The **Konomai Project** encompasses a property that spans some 7,165 hectares in northeastern Hokkaido and its prospecting rights were granted in December 2019. See Figure 1 above for project location. The land package is located in the northern part of a prolific zone of gold mining operations active in pre-World War II times. Most of the gold mines were shut down during the war years and were never reopened aside from Sumitomo Metal Mining’s Konomai Mine, the largest in Hokkaido, which produced 3.1 million ounces of gold<sup>(1)</sup>.

**Table 2: Kato Project: Historical Drill Hole Intersections**

Drill Hole ID	From (m)	To (m)	Core Interval (m)	Au g/t	Drilled By & Comments
3MAHB-6	153.95	165.90	11.95	0.42	Metal Mining Agency of Japan
Including	153.96	157.20	3.24	1.05	
3MAHB-6	126.25	127.25	1.00	0.66	
3MAHB-7	64.50	72.40	7.90	0.70	
4MAHB-5	116.80	119.30	2.50	13.11	
4MAHB-5	217.60	218.90	1.30	1.67	
4MAHB-6	175.50	184.00	8.50	3.42	
4MAHB-6	300.60	316.80	16.20	0.51	
4MAHB-6	320.90	323.80	2.90	0.77	
5MAHB-1	44.20	44.60	0.40	7.96	
5MAHB-2	252.90	266.10	13.20	0.52	
Including	258.30	266.10	7.80	0.60	
5MAHB-2	314.80	332.30	17.50	8.15	
5MAHB-3	115.15	115.70	0.55	3.64	
6MAHB-1	382.80	433.40	50.60	1.16	
6MAHB-2	250.60	254.50	3.90	3.22	
6MAHB-2	278.50	283.00	4.50	2.68	
6MAHB-3	277.00	283.50	6.50	0.52	



7MAHB-1	258.85	277.50	18.65	5.01	
Including	262.77	270.50	7.73	8.52	
7MAHB-2					Missing historical assay data
7MAHB-3	54.40	55.60	1.20	3.12	
7MAHB-3	202.63	203.15	0.52	2.70	
7MAHB-3	206.70	208.15	1.45	2.17	
7MAHB-3	467.15	467.30	0.15	0.04	
7MAHB-4	266.65	269.30	2.65	3.71	
7MAHB-4	272.40	298.90	26.50	2.84	
7MAHB-5	275.28	275.75	0.47	60.62	
7MAHB-5	290.75	291.19	0.44	4.69	
7MAHB-6	90.30	93.75	3.45	1.94	
7MAHB-6	345.20	377.30	32.10	0.64	
7MAHB-7	203.00	207.80	4.80	2.96	
7MAHB-7	226.30	226.60	0.30	6.40	
7MAHB-8	418.35	419.65	1.30	3.08	
8MAHB-1	299.10	309.70	10.60	2.37	
8MAHB-2	141.40	152.35	10.95	1.07	
KT18-01					Kronk Hole did not reach primary target
KT18-2	15.70	37.70	22.00	0.50	Hole did not reach primary target
KT19-02A	120.48	177.05	56.57	0.80	Hole did not reach primary target
Including	136.95	164.50	27.55	1.40	
Including	150.50	164.50	14.00	2.10	
KT19-03	128.60	138.17	9.57	0.64	
KT19-03	168.87	176.16	7.29	0.22	
KT19-04					Hole did not reach primary target
KT19-05					Hole did not reach primary target
KT19-06	121.50	122.20	0.70	1.12	
KT19-07	162.05	182.07	20.02	0.58	Hole did not reach primary target
Including	165.30	169.37	4.07	1.05	
KT19-07	242.97	243.27*	0.30	21.10	*0.33m from end of hole depth
KT19-08					Hole did not reach primary target
KT20-010	165.30	224.20	58.90	0.76	
Including	167.70	175.10	7.40	2.99	
KT20-010	229.80	232.60	2.80	3.10	

*These drill results are historical in nature. BeMetals has not undertaken any independent investigation of the sampling nor has it independently analyzed the results of the historical exploration work in order to verify the results. BeMetals considers these historical drill results relevant as the Company will use this data as a guide to plan future exploration programs. The Company also considers the data to be reliable for these purposes however the Company's future exploration work will include verification of the data through drilling. \*Drill hole ended in mineralization. It is estimated based upon the historical data that true widths might range from 80-90% of the drilled intersections. A nominal cut-off grade of 0.5 g/t Au has been applied to determine the boundaries of the intersections.*



**Table 3: Kato Project Drill Hole Collar Co-ordinates, Elevations, Azimuths, Dips and End of Hole Depths**

Drill Hole ID	WGS84 East	WGS84 North	WGS84 Elevation	Azimuth	Dip	End of Hole Depth
3MAHB-6	683532.57	4796635.41	470.54	63	-20	501.0
3MAHB-7	683888.19	4795867.08	470.46	63	-30	500.0
4MAHB-5	683430.24	4796667.42	463.9	243	-42	500.7
4MAHB-6	683461.67	4796630.82	461.09	63	-43	501.0
5MAHB-1	683299.86	4796539.87	472.38	63	-43	700.2
5MAHB-2	683611.39	4797167.28	557.75	243	-38	600.1
5MAHB-3	683627.23	4796437.06	454.32	63	-45	501.1
6MAHB-1	683734.58	4797066.17	560.76	243	-37	500.1
6MAHB-2	683114.34	4797042.14	489.11	63	-24	501.0
6MAHB-3	683682.56	4795939.28	476.19	243	-25	501.5
7MAHB-1	683263.39	4796875.81	476.87	055	-33	500.1
7MAHB-2	683802.56	4797127.14	571.93	243	-49	503.0
7MAHB-3	683227.27	4796582.58	482.99	52	-39	670.7
7MAHB-4	683350.57	4796762.05	469.95	38	-25	501.5
7MAHB-5	683653.30	4796777.37	518.75	243	-39	600.0
7MAHB-6	683476.25	4796356.74	452.86	63	-36	600.4
7MAHB-7	683316.16	4796935.36	496.65	72	-10	300.0
7MAHB-8	683277.21	4796856.96	476.24	53	-45	502.5
8MAHB-1	683349.49	4796759.91	469.95	38	-50	600.2
8MAHB-2	683659.31	4796152.57	458.32	65	-30	451.0
KT18-02	683578.44	4797050.74	535.71	245	-52	51.15
KT19-02A	683576.81	4797052.26	535.48	245	-52	183.0
KT19-03	683556.97	4796716.98	492.38	63	-45	256.3
KT19-06	683535.84	4796626.27	469.88	243	-45	79.4
KT19-07	683647.93	4796985.70	552.09	235	-50	243.6
KT19-08	683787.00	4796687.00	508.00	243	-45	68.7
KT19-07	683647.93	4796985.70	552.09	235	-50	243.6
KT20-010	683424.00	4796856.00	497.00	030	-45	232.6

#### **ADVISORS AND COUNSEL**

Raymond James Ltd. is acting as financial advisor and Farris LLP is acting as legal counsel to BeMetals.

Haywood Securities Inc. is acting as financial advisor and Miller Thomson LLP is acting as legal counsel to Kronk.

#### **ABOUT BEMETALS CORP.**

BeMetals is a precious and base metals exploration and development company focused on becoming a leading metal producer through the acquisition of quality exploration, development and potentially production stage projects. The Company is establishing itself in the gold sector with the acquisition of Kronk's projects in Japan and progressing both its advanced high-grade, zinc-silver-gold-copper polymetallic underground exploration at the South Mountain Project in Idaho, and its tier-one targeted, Pangeni Copper Exploration Project in Zambia. Leading BeMetals' growth strategy is a strong board and management team, founders and significant shareholders of the Company, who have an extensive proven record of delivering considerable value in the mining sector through the discovery, construction and operation of mines around the world.

## **ABOUT KRONK RESOURCES INC.**

Kronk is a privately owned gold exploration and development company based in Toronto, Canada. Through its wholly owned subsidiary, Kronk holds the rights to five highly prospective gold properties in the islands of Hokkaido and Kyushu in Japan.

## **ABOUT B2GOLD CORP.**

B2Gold is a low-cost international senior gold producer headquartered in Vancouver, Canada. Founded in 2007, today, B2Gold has operating gold mines in Mali, Namibia and the Philippines and numerous exploration and development projects in various countries including Mali, Colombia and Burkina Faso.

## **REFERENCES**

1. Sumitomo Metal Mining Co Ltd. website <https://www.smm.co.jp/E/>
2. Watanabe, (2005), Late Cenozoic evolution of epithermal gold metallogenic provinces in Kyushu, Japan. Mineralium Deposita 40: 307-323

## **QUALIFIED PERSON**

The technical information in this news release for BeMetals has been reviewed and approved by John Wilton, CGeol FGS, CEO and President of BeMetals, and a "Qualified Person" as defined under National Instrument 43-101.

## **ON BEHALF OF BEMETALS CORP.**

*"John Wilton"*

John Wilton  
President, CEO and Director

For further information about BeMetals please visit our website at [www.bemetalscorp.com](http://www.bemetalscorp.com) and sign-up to our email list to receive timely updates, or contact:

Derek Iwanaka  
Vice President, Investor Relations & Corporate Development  
Telephone: 604-609-6141  
Email: [diwanaka@bemetalscorp.com](mailto:diwanaka@bemetalscorp.com)

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### **Cautionary Note Regarding Forward-Looking Statements**

*This news release contains "forward-looking statements" and "forward looking information" (as defined under applicable securities laws), based on management's best estimates, assumptions and current expectations. Such statements include but are not limited to, statements with respect to the plans for completion of the Transaction and the Offering, future exploration and development of the South Mountain Project, the Pangenji project and the properties of Kronk acquired pursuant to the Transaction, and the acquisition of additional base and/or precious metal projects. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "forecasts", "anticipates", "plans", "anticipates", "believes", "intends", "estimates", "projects", "aims", "potential", "goal", "objective", "prospective", and similar expressions, or that events or conditions "will", "would", "may", "can", "could" or "should" occur. These statements should not be read as guarantees of future performance or results. Such statements involve*

*known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those expressed or implied by such statements, including but not limited to: receipt of required shareholder approvals and TSX Venture Exchange approval for the Transaction and fulfilment of all conditions precedent to completion of the Transaction including closing of the Offering, the actual results of exploration activities, the availability of financing and/or cash flow to fund the current and future plans and expenditures, the ability of the Company to satisfy the conditions of the option agreements for the South Mountain Project and/or the Pangen Project, and changes in the world commodity markets or equity markets. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements and forward looking information are made as of the date hereof and are qualified in their entirety by this cautionary statement. The Company disclaims any obligation to revise or update any such factors or to publicly announce the result of any revisions to any forward-looking statements or forward looking information contained herein to reflect future results, events or developments, except as require by law. Accordingly, readers should not place undue reliance on forward-looking statements and information. Please refer to the Company's most recent filings under its profile at [www.sedar.com](http://www.sedar.com) for further information respecting the risks affecting the Company and its business.*