

Lode Gold Signs Letter of Intent to Execute Tax-Efficient Spin-Out, Creating Two Pure Play Companies

2024-09-23

Toronto, Ontario--(Newsfile Corp. - September 23, 2024) - Lode Gold Resources Inc. (TSXV: LOD) (OTCQB: SBMIF) ("Lode Gold " or the "Company") is pleased to announce its wholly-owned subsidiary, ("1475039 B.C. Ltd." or "Gold Orogen") has entered into a non-binding Letter of Intent (LOI) on September 23, 2024 to acquire Great Republic Mining ("GRM", "Great Republic" or GRM:CSE), pursuant to which the GRM and the Company's subsidiary propose to complete a Reverse Take Over (RTO) transaction pursuant to which GRM will acquire all of the issued and outstanding shares of the Company's subsidiary.

The Company plans to carry out a tax-efficient Spin-out transaction by way of a RTO of the currently CSE-listed GRM. Upon closing, the shareholders of Lode Gold (the target shareholders) will own up to 74.16% of the issued and outstanding shares of the company on a non-diluted basis, Fancamp Exploration Ltd. ("Fancamp") will own 19.9%, and existing GRM shareholders will own 5.94%. The resulting entity from the proposed RTO will continue the business as Gold Orogen. After the completion of the Spin-out, Lode Gold shareholders will receive shares in Gold Orogen.

"We are systematically executing our strategic plan as we had promised. This Spin-out will unlock value for shareholders, creating two pure play companies to attract new investors," comments Wendy T. Chan, CEO of Lode Gold.

Bill Fisher, CEO of Great Republic Mining, adds, "We are glad to partner with Lode Gold to acquire highly prospective exploration packages in Yukon and New Brunswick. Launching a new company, in this challenging market, that is already funded with \$3 million to pursue exploration work - is a great step forward."

Proposed RTO and Plan of Arrangement

Pursuant to the terms of the Letter of Intent and the upcoming Definitive Agreement, the proposed RTO is expected to be completed by way of a court-approved plan of arrangement pursuant to the laws of British Columbia. The shareholders of Lode Gold and Gold Orogen will own directly the GRM shares exchanged from the transaction.

It is proposed that the Company will complete the Spin Out of Gold Orogen and each outstanding Gold Orogen share will be exchanged for GRM shares. In connection with the proposed RTO: (i) the resulting entity expects to change its name; (ii) the Company will hold a special meeting of shareholders to approve the transaction; (iii) GRM intends to seek the consent resolution approval; and (ii) GRM shares shall be consolidated so that 1,973,684 GRM post-consolidation shares shall be issued and outstanding prior to the closing of the proposed RTO, or about 5.94% of total issued and outstanding shares on the closing.

The Letter of Intent includes exclusivity provisions, pursuant to which the company and GRM have agreed to negotiate and deal exclusively with one another with respect to the proposed RTO.

Conditions of closing the proposed RTO

The terms of the transaction will be set out in a definitive agreement. The completion of the proposed RTO is subject to a number of conditions, which include, but are not limited to:

- Receipt of all required shareholder, regulatory and other approvals, authorizations and consents for the proposed RTO as may be required;
- 1,875,000 of founder and seed investors' GRM shares (pre-consolidation) are escrowed for 12 months following the close of transaction, with the right for equal quarterly releases of the shares;
- No material adverse change in the business, results of operations, assets, liabilities, financial conditions or affairs of the parties subsequent to the date of the letter agreement;
- No legal proceedings or regulatory actions against the company or GRM that would reasonably be expected to have a material adverse effect on the company or GRM, in the reasonable opinion of the other party, as applicable;
- No inquiry, action, suit, proceeding or investigation commenced, announced or threatened by any securities regulatory authority or stock exchange in relation to the company or GRM;
- There being no prohibition at law against the completion of the proposed RTO;
- Compliance by the company and GRM with all representations, warranties, covenants, obligations and conditions of such party as set out in the definitive agreement to be negotiated between the parties;
- GRM having a minimum of \$250,000 cash at closing and no liabilities;
- GRM terminating the Porcher Island property option agreement immediately prior to closing.

Timing

The transaction will be subject to necessary regulatory approvals, including acceptance of the TSX Venture Exchange ("TSXV") and Canadian Securities Exchange (the "CSE").

The anticipated timing of Definitive Agreement and submission to the CSE and TSXV will be within the next two weeks. Audited financial statements and updated NI 43-101's for the listing projects: Golden Culvert/WIN, McIntyre Brook and Riley Brook have been completed.

Gold Orogen plans to raise an additional \$1.5 million to add to the Spin Co's current \$3.0 million budget for Fiscal 2025, resulting in a total \$4.5 million spend in the first 12 months. This ensures systematic exploration and drilling can be executed in Yukon and New Brunswick. Please reference the Company's Strategic Alliance in the **August 30, 2024 news release**.

The anticipated Spin-out will be in Q4 2024 when Spin Co Gold Orogen will be trading as a public entity. Shareholders of Lode Gold will receive shares of Gold Orogen at that time in a tax-efficient manner.

About Lode Gold

Lode Gold (TSX.V: LOD) is an exploration and development company with projects in highly prospective and safe mining jurisdictions in Canada and the United States.

Its Golden Culvert and WIN Projects in Yukon, covering 99.5 km² across a 27-km strike length, are situated in a district-scale, high-grade-gold-mineralized trend within the southern portion of the Tombstone Gold Belt. Gold deposits and occurrences within the Belt include Fort Knox, Pogo, Brewery Creek and Dublin Gulch, and Snowline Gold. A NI 43-101 technical report entitled "Technical Report on the WIN-Golden Culvert Property for Lode Gold" with an effective date of May 15, 2024, summarizing the work to date on these properties is available on the Company's profile on SEDAR+ (www.sedarplus.ca) and on the Company's website (www.lode-gold.com).

In New Brunswick, Lode Gold has created one of the largest land packages with a 42km strike within 420km². Its McIntyre Brook Project, New Brunswick, covering 111 km² and a 17-km strike length in the emerging Appalachian/Iapetus Gold Belt, is surrounded by Puma Exploration's Williams Brook Project (5.55 g/t Au over 50m)¹ and is hosted by orogenic rocks of similar age and structure as New Found Gold's Queensway Project. The Fancamp's Riley Brook is a 309 km² package covering a 25 km strike of Wapske formation with its numerous felsic units. Previous exploration efforts have focused on just VMS-style mineralization hosted in the felsic intrusions, and mostly focused on the base metals - the Company is the first to focus on and assay for gold. This transaction will close upon Exchange's acceptance.

The Company is also advancing its Fremont Gold development project in the historic Mother Lode Gold Belt of California where 50,000,000 oz of gold has been produced. Fremont, located 500km north of Equinox Gold's Castle Mountain and Mesquite mines, has a Preliminary Economic Assessment ("PEA") with an after-tax NPV (5%) of USD \$217M, a 21% IRR, 11-year LOM, averaging 118,000 Oz per annum at USD \$1,750 gold. A sensitivity to the March 31, 2023 PEA at USD \$2,000/oz gold gives an after-tax NPV (5%) of USD \$370M and a 31% IRR over an 11-year LOM. The project hosts an NI 43-101 resource of 1.16 MOz at 1.90 g/t Au within 19.0 MT Indicated and 2.02 MOz at 2.22 g/t Au within 28.3 MT Inferred. The MRE evaluates only 1.4 km of the 4 km strike length of the Fremont property which features five gold-mineralized zones. Significantly, three step-out holes at depth hit the mineralized structure, typical of orogenic deposits that often occur at depth. Fremont is located on 3,351 acres of 100% owned private land in Mariposa, the original Gold Rush County, and is 1.5 hours from Fresno, California. The property has year-round road access and is close to airports and rail.

Please refer to the Fremont Gold project NI 43-101 PEA technical report dated March 31, 2023, which is available on the Company's profile on SEDAR+ (www.sedarplus.ca) and on the Company's website (www.lode-gold.com). The PEA technical report has been reviewed and approved by independent "Qualified Persons" Eugene Puritch, P.Eng., FEC, CET, and Andrew Bradfield, P.Eng. both of P&E, and Travis Manning, P.E. of KCA.

QUALIFIED PERSON STATEMENT

The scientific and technical information contained in this press release has been reviewed and approved by Jonathan Victor Hill, Director, BSc (Hons) (Economic Geology - UCT), FAusIMM, and who is a "qualified person" as defined by NI-43-101.

About Great Republic Mining Corp.

Great Republic is a Canadian exploration company engaged in the business of acquiring and exploring mineral resource properties - founded by a team with extensive geological, mining, and capital markets experience. Great Republic has an option to acquire a 100% interest in the Porcher Property, which is composed of nine contiguous mineral titles covering an area of 3,560.4 hectares in the northwest part of British Columbia, Canada, approximately 40 kilometers southwest of the city of Prince Rupert on Porcher Island.

ON BEHALF OF THE COMPANY

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Cautionary Note Related to this News Release and Figures

This news release contains information about adjacent properties on which the Company has no right to explore or mine. Readers are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on the Company's properties.

Cautionary Statement Regarding Forward-Looking Information

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release includes "forward-looking statements" and "forward-looking information" within the meaning of Canadian securities legislation. All statements included in this news release, other than statements of historical fact, are forward-looking statements including, without limitation, statements with respect to the completion of the transaction and the timing thereof, the expected benefits of the transaction to shareholders of the Company, the structure, terms and conditions of the transaction and the execution of a definitive agreement, the timing of submission to the CSE and TSXV, Gold Orogen raising an additional \$1,500,000 and the anticipated use of proceeds. Forward-looking statements include predictions, projections and forecasts and are often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "estimate", "expect", "potential", "target", "budget" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions and includes the negatives thereof.

Forward-looking statements are based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets in which the Company operates, are inherently subject to significant operational, economic, and competitive uncertainties, risks and contingencies. These include assumptions regarding, among other things: that the Company and GRM will be able to negotiate the definitive agreement on the terms and within the time frame expected, that the Company and GRM will be able to make

submissions to the CSE and TSXV within the time frame expected, that the Company and GRM will be able to obtain shareholder approval for the transaction, that the Company and GRM will be able to obtain necessary third party and regulatory approvals required for the transaction, if completed, that the transaction will provide the expected benefits to the Company and its shareholders.

There can be no assurance that forward-looking statements will prove to be accurate and actual results, and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include adverse market conditions, general economic, market or business risks, unanticipated costs, the failure of the Company and GRM to negotiate the definitive agreement on the terms and conditions and within the timeframe expected, the failure of the Company and GRM to make submissions to the CSE and TSXV within the timeframe expected, the failure of the Company and GRM to obtain shareholder approval for the transaction, the failure of the Company and GRM to obtain all necessary approvals for the transaction, and r other risks detailed from time to time in the filings made by the Company with securities regulators, including those described under the heading "Risks and Uncertainties" in the Company's most recently filed MD&A. The Company does not undertake to update or revise any forward-looking statements, except in accordance with applicable law.

1 See Puma Exploration Inc.'s news release dated September 15, 2021.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/224340>

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