



Newlox Gold Ventures Corp.

Newlox Gold Corporate Update

Vancouver, BC, 23 December 2024 – Newlox Gold Ventures Corp. (“Newlox” or the “Company”) (CSE: [LUX](#) | Frankfurt/Stuttgart: [NGO](#) | PINK: [NWLXF](#)) is pleased to provide investors with a detailed update on the Company’s status and management’s near-term strategy.

Summary

- All outstanding financial statements completed.
- Working with BCSC to revoke the Cease Trade Order.
- Donald Gordon succeeds Gary MacDonald as an independent Director.
- Donald Gordon to head Newlox Gold’s Corporate Compliance Efforts.
- Upcoming Engagement of an Independent Accounting and IFRS Reporting Specialist.
- Focus on Costa Rica productivity in 2025.

Corporate Update

Since the filing of the Company’s consolidated financial statements for FY2024, alongside its Q1 and Q2 filings for the current fiscal year, Newlox Gold has made significant strides in addressing regulatory obligations. The completion of these filings signals a key step forward, enabling management to actively collaborate with the British Columbia Securities Commission (BCSC) to revoke the Cease Trade Order (CTO) currently impacting the Company. Management sincerely regrets the impact of the CTO on the Company’s valued shareholders and, with legal counsel, Newlox is expediting this process to restore liquidity and improve shareholder engagement. Management’s commitment to transparency and adherence to regulatory frameworks remains steadfast, underpinned by strategic leadership and operational diligence.

Newlox Gold has previously announced that to adapt to the new accounting and regulatory climate facing Canadian public companies, Newlox is making significant changes to its accounting and compliance procedures. Over the past three years, there have been considerable challenges in the Canadian accounting field due to changes to the IFRS reporting standards, increased regulation, and intensified oversight. These challenges have resulted in considerably more difficult, expensive, and time-consuming audit processes for Canadian public companies. The new auditing regime is a particular challenge for companies operating in multiple jurisdictions and conducting financing activities through mechanisms beyond simple share issuances.

Newlox Gold plans to enhance its accounting and compliance infrastructure as part of this adaptation process. A principal component of this initiative is the appointment of Donald Gordon as an independent Director of the Company and the head of its corporate compliance and reporting team. He has taken the lead in working with the BCSC on the procedure of removing the CTO. Mr. Gordon has succeeded Mr. Gary Macdonald, who has resigned from his position as an independent director of Newlox Gold. Management wishes to thank Mr. MacDonald for his great contribution to the Company.

Mr. Gordon has over 30 years of experience in corporate finance, consulting for issuers, investment dealers, and stock exchanges. He is a director of several public companies, providing CFO services and corporate finance consulting in regulatory compliance and fundraising strategies. Notably, Mr. Gordon established the Vancouver office of the Canadian Securities Exchange (CSE) and previously served as the Director of Corporate Finance and Listings at the Vancouver Stock Exchange, directly contributing to the consolidation of Canada's stock exchanges.



Newlox Gold Ventures Corp.

Mr. Gordon chaired the exchange's Listing Committee and authored the Listing and Procedure Manual, now used by the TSX Venture Exchange. He is a past President of the Vancouver Society of Financial Analysts and is currently in his 12th year as Director of Truvera Trust Company, a fully licensed Canadian trust company. He holds a BA and MBA from the University of British Columbia and is a Chartered Financial Analyst.

Newlox Gold has also initiated discussions with a firm specializing in independent accounting and IFRS Reporting. Over the past three years, since the enhancement of Canadian accounting requirements, many Canadian venture companies have engaged this type of firm as part of their plan to comply with the ever-tightening regulatory framework. Management will be providing further details of this initiative in upcoming updates.

In addition to the challenges presented by the protracted auditing process, the Company experienced a working capital shortage in 2024. Newlox Gold announced a financing in November of 2023 tied to a \$2.5 million budget. The budget principally included funds required for the following initiatives:

Firstly, resolving the electrical supply issue that prevented the completion of the Company's Plant 2 in Costa Rica, which also affected Plant 1 operations. Following an incident in 2023 related to electrical infrastructure at the facility, the Company was awaiting the approval of its new electrical plan by the state-owned electrical utility and the ability to take corrective action. Having received approval for a new electrical plan prepared by the Company's engineering team, Newlox's operations team were able to purchase and install the new electrical lines, poles, and a transformer to restore power to Plant 1 and Plant 2.

Secondly, investment in Newlox Gold's expansion opportunity in Colombia. In mid-November of 2023, the Company announced that it had signed an agreement to acquire 100% of the Antioquia Community Coexistence Project (the "Coexistence Project") in San Roque, Department of Antioquia, Colombia, for a total of US\$1.5 million to be paid in installments. This project was envisioned as a 1,000-tonne-per-day gold processing facility to provide exclusive toll milling services to local, recently legalized, artisanal mining groups. Securing this project was especially important at the time due to the uncertainty related to the electrical plan's approval in Costa Rica.

Finally, financing was essential to cover corporate G&A as well as ongoing financing costs related to upcoming interest payments from an extension to the term of outstanding 2020 debentures, which was in appreciation of the Company's long-term shareholders who, according to the terms of the original agreement, would have received a share-based principal payment at below the prevailing market price at the time.

Over the following 6 months, the Company worked to raise capital as part of the November 2023 offering but found market conditions challenging and could ultimately not raise the budget, even over that extended period. Given the elapsed time, the monies raised were significantly less effective when applied to the original budget. However, management did decide to make a strong effort to complete the planned operational objectives, even with limited capital.



Newlox Gold Ventures Corp.

Management had planned to utilize the momentum seen in Costa Rica operations early in the summer of 2024 to seek additional financing, which would be applied to increasing Costa Rica productivity and taking advantage of the strong gold price seen in the second half of calendar 2024. Having understood that the Company's auditing firm intended to complete their work on time at the end of July, management planned to begin financing in August to avoid delays in auditing due to subsequent events related to new transactions. However, the unforeseen and catastrophic delay in completion of the audit and the resulting cease trade order have curtailed the Company's ability to finance, resulting in a loss of momentum in the second half of 2024.

Going forward, management plans to raise working capital for Costa Rica operations immediately following the removal of the cease trade order and is in negotiations with parties interested in funding the Company. Management have been in active negotiations with two parties that have expressed strong interest in supporting the projects. Due diligence work and confidential negotiations are currently underway with more details to follow as appropriate.

Newlox's operations team reports that the processing plant has delivered excellent operational metrics in recent cycles. With sufficient working capital, the plant should be able to process more material immediately and increase productivity. Given the strong gold price, management has determined that a focus on improving Costa Rica production is the optimal near-term strategy. The Company has suspended expansion plans in Colombia to limit near-term capital costs until productivity in Costa Rica stabilizes. The Company maintains strong relationships in the Colombian mining sector, and management may revisit these opportunities at a later date.

The Company also notes that several shareholders have inquired about potential damage to the Costa Rican processing facilities, given the unprecedented storms experienced in the country this fall. Newlox's operations team reported they undertook proactive road and slope maintenance in anticipation of the tropical storm and light remediation following the event. Limited flooding caused damage to project office facilities, but no major infrastructure or processing equipment was damaged.

Management intends to provide updates regarding progress in the above initiatives as milestones occur. The primary goal in the near term is to complete legal work to remove the cease trade order, restoring liquidity for shareholders and allowing the Company to raise working capital to increase productivity at its Costa Rican operations.



Newlox Gold Ventures Corp.

Forward-Looking Information

The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward-looking information. Forward-looking information includes, but is not limited to, the completion of the work programs currently underway and the results of these programs. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, achievements, or performance may vary materially from those anticipated and indicated by these forward-looking statements. The material risk factors that could cause actual results to differ include the risk that work undertaken by the Company may have unintended effects, the risk of delays in completing work, and the risk that the Company may not be able to raise sufficient funds and Force Majeure. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, it can give no assurances that the expectations of any forward-looking information will prove to be correct. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking information to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise. Neither Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accept responsibility for the adequacy or accuracy of this release).

Technical Disclaimer

The Company advises it is not basing any decision to produce on a feasibility study of reserves demonstrating the economic and technical viability of the project and also advises there is increased uncertainty and specific economic and technical risks of failure associated with any production decision. Grab sample results included in any press release are not necessarily indicative of the mineralization in general for the deposit. James Turner, P.Geol., a "Qualified Person" within the meaning of National Instrument 43-101, has prepared, supervised the preparation of, and approved the contents of this News Release.

On Behalf of the Board, Newlox Gold Ventures Corp.

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