

NEWS RELEASE

SHANE RESOURCES LTD.

SHANE RESOURCES ANNOUNCES CLOSING OF PRIVATE PLACEMENT AND SETTLEMENT OF DEBT

Toronto, Ontario, February 21, 2020 – Shane Resources Ltd. (the “**Company**” or “**Shane Resources**”) is pleased to announce that it has closed the second tranche of a non-brokered private placement financing of 36,293,545 common shares in the share capital of the Company (each, a “**Share**”) at \$0.000125 per Share for the gross proceeds of \$4,536.69 (the “**Offering**”). The net proceeds of the Offering will be used for general working capital purposes.

Further, the Company announces it has entered into debt settlement agreements with certain creditors, including a control person of the Company, in order to settle \$15,000 in outstanding liabilities (the “**Outstanding Liabilities**”). The Company has issued 120,000,000 Shares at a deemed price of \$0.000125 per Share in settlement of the Outstanding Liabilities (the “**Debt Settlement**”, and collectively with the Offering, the “**Transactions**”). All Shares issued pursuant to the Transactions are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

A portion of the Shares issued pursuant to the Transactions have been issued to related parties, as that term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Accordingly, the Transactions each constitute “related party transaction” within the meaning of MI 61-101. The Company relied upon the “Issuer Not Listed on Specified Markets” and “Fair Market Value Not More Than \$2,500,000” exemptions from the formal valuation and minority shareholder approval requirements, respectively, under MI 61-101. The Company will be filing a material change report in respect of the related party transactions on SEDAR less than 21 days prior to the closing of the Transactions due to the fact that the Company wished to close the Offering as soon as practicable to enable it to use the funds for short-term cash requirements, and the details of the creditors in the Debt Transaction were not settled until shortly prior to the closing.

In connection with the Debt Settlement, KW Capital Partners Ltd. (“**KW**”), acquired 66,000,000 Shares. KW also acquired 24,749,998 Shares and 4,500,000 common share purchase warrants in the capital of the Company (“**Warrants**”) in a share purchase transaction with a certain shareholder (the “**Share Purchase**”). Following the Debt Settlement and Share Purchase, KW owns an aggregate of 390,011,147 Shares, representing 35.52% of the issued and outstanding Shares on an undiluted basis. Upon exercise of the Warrants, KW will own 394,511,147, representing 35.58% of the issued and outstanding Shares on a partially diluted basis. Prior to the Debt Settlement and Share Purchase, KW beneficially owned, or exercised control or direction of 299,261,149 Shares, representing 36.15% of the issued and outstanding Shares. KW has acquired the Shares in the Debt Settlement and Share Purchase for investment purposes and may, from time to time, acquire additional securities of the Company or dispose of such securities as KW may deem appropriate. For the purpose of NI 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, the address of KW is 10 Wanless Ave, Suite 201, Toronto, Ontario, M4N 1V6, President: Sruli Weinreb.

A copy of the early warning report being filed by KW Capital Partners Ltd. may be obtained on the Company’s SEDAR profile or by contacting the Company at 416 481-2222.

On behalf of the Board of Directors

SHANE RESOURCES LTD.

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***Cautionary Statement and Forward-Looking Information:** This news release may contain forward-looking statements including, but not limited to, comments regarding the use of proceeds. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statement. Accordingly, readers should not undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*