

Pima Zinc Corp.

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PIMA ZINC CORP. ANNOUNCES CLOSING OF NON-BROKERED PRIVATE PLACEMENT

Toronto, ON – November 4, 2022 – Pima Zinc Corp. (the "**Company**" or "**Pima**") is pleased to announce that further to its press release of August 15, 2022, 2635212 Ontario Inc. ("**Pima Subco**"), a subsidiary of the Company, has completed a non-brokered private placement financing in the capital of Pima Subco (the "**Financing**") through the issuance of 13,323,800 units (each, a "**PP Unit**") at a price of \$0.50 (the "**Issue Price**") per PP Unit for gross proceeds of \$6,661,900. Each PP Unit is comprised of one common share in the capital of Pima Subco (each, a "**Pima Subco Share**") and one Pima Subco Share purchase warrant (each, a "**PP Warrant**"). Each PP Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$0.60 per Common Share for a period of eighteen-(18) months following the completion of the Proposed Transaction (as defined below).

In addition, the Company issued 3,411,000 subscription receipts (the "**Subscription Receipts**") in the capital of Pima Subco at a price of \$0.50 per Subscription Receipt for gross proceeds of \$1,705,500. Each Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration, one unit (each, a "**Unit**") upon satisfaction of the escrow release conditions ("**Escrow Release Conditions**"). Each Unit shall be comprised of one Pima Subco Share and PP Warrant.

The gross proceeds of the Subscription Receipts (the "**Escrowed Proceeds**") will be held in escrow on behalf of the subscribers of the Subscription Receipts by Irwin Lowy LLP (the "**Escrow Agent**"), pursuant to the terms of a subscription receipt agreement (the "**Subscription Receipt Agreement**") dated November 4, 2022 (the "**Offering Closing Date**") among the Company and the Escrow Agent. Each Subscription Receipt will be automatically converted, without payment of any additional consideration and without further action on the part of the holder thereof, for one Unit upon satisfaction or waiver of the Escrow Release Conditions out below and in the Subscription Receipt Agreement and prior to a Termination Event (as defined below), subject to adjustment in certain events. The Units to be issued upon conversion of the Subscription Receipts will be comprised of one Pima Subco Share and one PP Warrant.

Upon completion of the proposed transaction (the "**Proposed Transaction**") carried out by way of an amalgamation agreement dated August 11, 2022 (the "**Amalgamation Agreement**") between Cybeats Technologies Inc. ("**Cybeats**"), the Company, Pima Subco and Scryb Inc. ("**Scryb**"), as amended on October 31, 2022, the Company will acquire all of the issued and outstanding common shares and preferred shares of Cybeats pursuant to a three-cornered amalgamation in accordance with Section 174 of the *Business Corporations Act* (Ontario). Upon completion of the Proposed Transaction, the Pima Subco Shares and PP Warrants will be exchanged for common shares in the capital of Pima (the "**Pima Shares**") and Pima Share purchase warrants (the "**Pima Warrants**") on a one-for-one basis. Each Pima Warrant will be exercisable by the holder thereof for one common share of Pima (each, a "**Pima Warrant Share**") at an exercise price of \$0.60 per Pima Warrant Share for a period of eighteen (18) months following the closing of the Proposed Transaction.

The Escrow Release Conditions are as follows:

- (a) Written confirmation from each of the Corporation and Pima that all conditions to the completion of the Proposed Transaction have been satisfied or waived, other than the release of the Escrowed Funds and the closing of the transactions contemplated by this Agreement, each of which will be completed forthwith upon release of the escrowed funds;

- (b) The receipt of all shareholder and regulatory approvals required for the Proposed Transaction; and
- (c) The distribution of the Pima Shares and Pima Warrants underlying the Subscription Receipts; and the Pima Shares being conditionally approved for listing on the CSE and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the escrowed funds.

In the event that: (i) the Escrow Agent does not receive the release notice contemplated by the Subscription Receipt Agreement prior to 5:00 p.m. (Toronto time) on that date which is 120 days after the Offering Closing Date (the "**Escrow Release Deadline**"); or (ii) prior to the Escrow Release Deadline, the Company announces to the public that it does not intend to proceed with the Proposed Transaction and/or satisfy the Escrow Release Conditions (each, a "**Termination Event**"), the Escrowed Proceeds (plus any interest accrued thereon) will be returned to the holders of the Subscription Receipts on a *pro rata* basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that the Escrowed Funds are not sufficient to refund the aggregate Issue Price paid to the holders of the Subscription Receipts, the Company will be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall.

In connection with the Financing, the Company paid certain eligible persons (each, a "**Finder**") a cash commission of \$40,000 equal to 8% of the gross proceeds of the PP Units delivered by the Finder and issued 80,000 broker warrants (the "**Broker Warrants**") equal to 8% of the number of PP Units delivered by the Finders pursuant to the Offering. Each Broker Warrant entitles the holder thereof to acquire one Pima Share at a price of \$0.50 per Pima Share for a period of eighteen (18) months from the completion of the Proposed Transaction. In addition, the Company paid Finders a cash commission of \$102,330 equal to 6% of the gross proceeds of the Subscription Receipts delivered by the Finders. The proceeds from the Financing will be used for general working capital purposes

The PP Units and Subscription Receipts issued pursuant to the Financing will be subject to a regulatory four month hold period. The Unit Shares and Warrants issued upon conversion of the Subscription Receipts will not be subject to resale restrictions.

The securities that will be issued in connection with the Offering 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, U.S. persons (as defined under the U.S. Securities Act) 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.

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Forward Looking Statements

This news release contains certain "forward-looking information" within the meaning of applicable securities law.

Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the information is provided, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. For a description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's Management's Discussion and Analysis. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.