



Element79 Gold Announces Execution of Agreements for Acquisition of Significant Gold Portfolio in Nevada

VANCOUVER, BC / ACCESSWIRE / October 4, 2021 / Element79 Gold Corp. (CSE: ELEM) (FSE: 7YS) ("Element79 Gold", the "Company") is pleased to announce that it has entered into a securities exchange agreement (the "Securities Exchange Agreement") with 1316524 B.C. Ltd. ("Goldco") and the securityholders of Goldco, pursuant to which it will acquire all of the issued and outstanding securities of Goldco.

Goldco has entered into an asset purchase agreement (the "Asset Purchase Agreement") with Clover Nevada LLC and Maverick Springs Mining Company, LLC to acquire the flagship Maverick Springs Project ("Maverick Springs") and 15 additional Projects that comprise the Battle Mountain Portfolio (individually, each a "Project", and collectively, the "Battle Mountain Portfolio"). The flagship Maverick Springs Project and the Battle Mountain Portfolio are located in the gold mining regions of northeastern Nevada.

The Maverick Springs Project

The Maverick Springs Project hosts a historic gold equivalent resource of 1.7 million ounces (indicated) and 1.9 million ounces (inferred) with cutoff grade of 34.3 g/t silver equivalent, calculated using circa 2004 values of \$327 USD per ounce of gold and \$4.77 USD per ounce of silver (Table 1). Element79 Gold is not treating this historic estimate as current mineral resources and a qualified person has not reviewed the work to define the quality of work associated with this historic estimate.

The Maverick Springs Project consists of approximately 4,800 acres across 247 unpatented claims that straddle the border of Elko County and White Pine County, proximate to the Carlin Trend, a belt of gold deposits approximately 5 miles wide and 40 miles long that is one of the world's richest gold mining districts, having produced more gold than any other mining district in the US.⁽¹⁾ The Maverick Springs Project is located just 30 kilometers northeast of Kinross's Bald Mountain Mine with measured and indicated resources (inclusive of proven and probable reserves) of 4.5 million ounces grading 0.52 g/t gold.⁽²⁾

class	Mtons	Ag g/t	Ag Moz	Au g/t	Au Moz	Ag Eq g/t	Ag Eq Moz	Au Eq g/t	Au Eq Moz	Spot Ag Eq g/t*	Spot Ag Eq Moz*	Spot Au Eq g/t*	Spot Au Eq Moz*
Indicated	69.63	34.3	69.6	0.34	0.70	61.7	125.3	0.84	1.71	60.0	121.9	0.80	1.62
Inferred	85.55	34.3	85.6	0.27	0.68	51.4	128.3	0.78	1.93	54.9	136.9	0.73	1.83

Table 1. Maverick Springs 2004 Historic Resource Estimate⁽³⁾

- This historic estimate is the most recent historic resource estimate relevant to the Maverick Springs Project, uses only the categories set out in Sections 1.2 and 1.3 of National Instrument 43-101 Standards of Disclosure for Mineral Projects, and was prepared to the quality and rigour as defined by NI 43-101 standards in 2004. A qualified person has not conducted sufficient work on the historical estimate required to categorize this resource to the CIM definition of a current mineral resource, which may include the preparation of a new NI 43-101 Technical Report on Maverick Springs. Element79 Gold is not treating this historic estimate as current mineral resources and a qualified person has not reviewed the work to define the quality of work associated with this historic estimate. Element79 Gold intends to have a qualified person conduct all work required to classify this historic resource estimate as a current mineral resource as defined by the CIM Definition Standards.
- Reported by Snowden Mining Industry Consultants in the document "Technical Report, Maverick Springs Project, Nevada, USA", published April 13, 2004
- Calculated using a \$US327/oz gold and \$US4.77/oz silver price, not pit constrained
- Calculated using a 34.3 g/t Ag cut off grade
- Silver equivalency is calculated as Ag Eq = Ag +Au*68.46
- Based off 159 drill holes
- *Spot Ag Eq and Au Eq is calculated for comparison only, using recent prices of \$US1,800/oz gold and \$US24/oz silver

Maverick Springs is a silver-rich sediment/carbonate hosted or Carlin-type deposit, which are among the largest hydrothermal gold deposits in the world.⁽⁴⁾ Gold production in Nevada is dominated by Carlin-type deposits, similar to Maverick Springs. Maverick Springs is a blind deposit comprising a 30-120 meter thick, flat-lying zone centered on an anticlinal structure with oxidation pervasive to 120 meters and intermittent to 270 meters.^(3,5)

The Maverick Springs Project is accessible year-round via gravel road, with a network of drill roads spread throughout its claims. Nearby electrical power can be sourced from the eastern Nevada grid system to the northwest. The claims at Maverick Springs were first staked in 1986, with several exploration programs conducted from 1987 to 2004, including a total of 195 drill holes totaling 47,000 metres.^(3,6)

The Surrounding Area

The Maverick Springs Project and the Battle Mountain Portfolio are primarily located in the same belts of gold deposits that house Nevada Gold's most notable properties.

"The pending acquisition of this vast Nevada portfolio of mining assets offers Element79 Gold a seat at a distinguished table in the capital of North American gold mining," stated James Tworek, President and CEO of the Company. "By executing the next step of our high-tempo development strategy through the pending acquisition of Maverick Springs and the Battle Mountain Portfolio, Element79 Gold is gaining access to one of the most prolific gold mining districts in the world."

Maverick Springs is located just to the east of the Carlin Trend, the gold belt that hosts Nevada Gold's Carlin Mine (a combination of Newmont's Carlin Mine and Barrick's Goldstrike Mine), the world's second largest gold mine, which reported 1.665 million ounces of gold produced in 2020.⁽¹⁾ Through 2019, the Carlin Trend has produced over 92.5 million ounces of gold since the original Carlin Mine went into production in 1965⁽⁷⁾, and between 1987 and the end of 2018, Barrick produced over 44 million ounces of gold from Goldstrike Mine alone.⁽⁸⁾

The majority of the Battle Mountain Portfolio is located within the Battle Mountain Trend (Figure 1), with several Projects in close proximity to globally reputable gold deposits including Nevada Gold's Cortez Mine, the third largest gold mine in North America⁽⁹⁾ and the sixth largest in the world, which reported 2020 gold production at 799,000 ounces.⁽¹⁾ The same belt of deposits also contains the recently discovered Goldrush complex that, as of 2016, carries measured and indicated resources of 25.2 million tonnes grading 10.6 g/t, representing 8.6 million ounces of gold in the ground.⁽¹⁰⁾

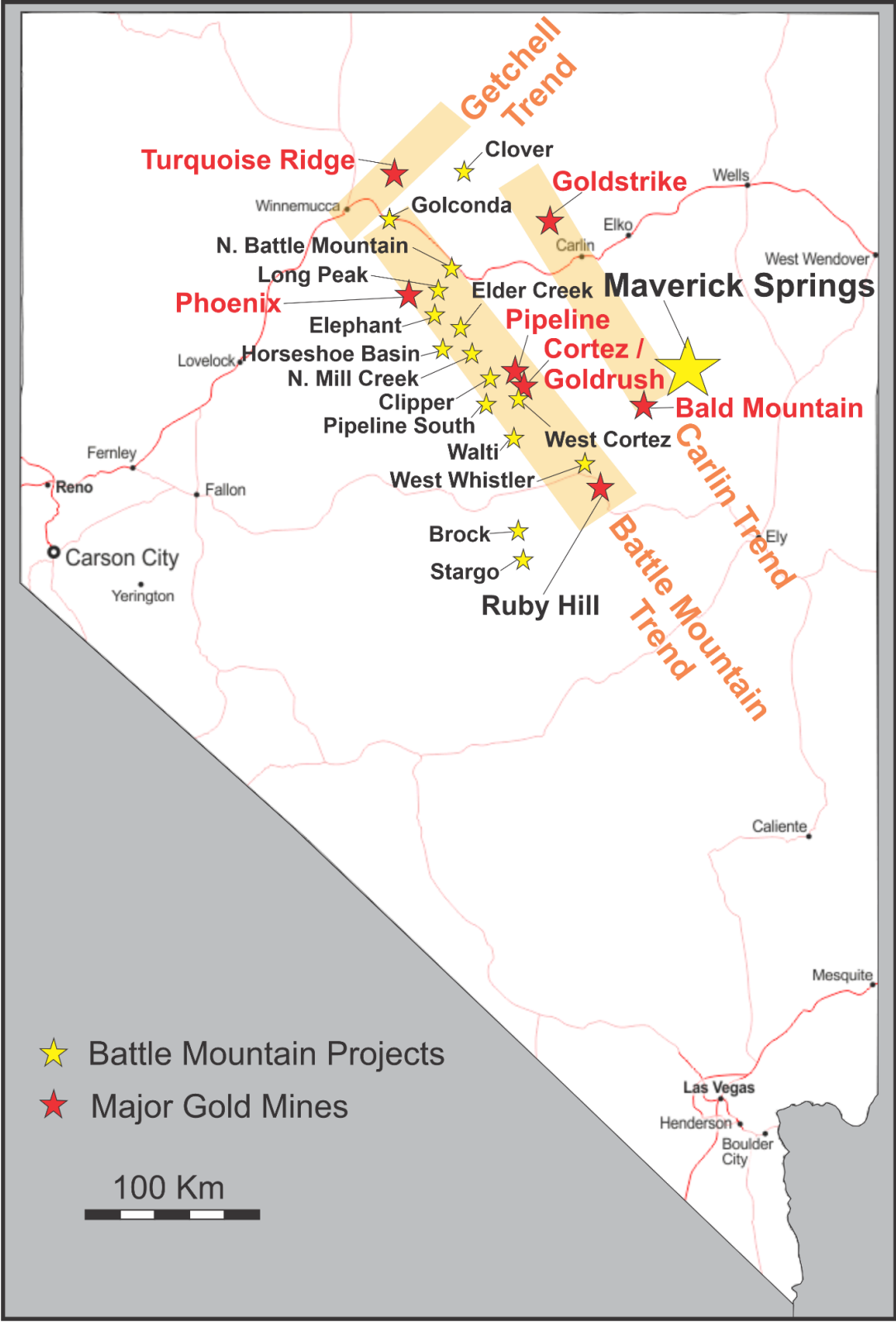


Figure 1. Map of Nevada showing location of Battle Mountain Projects, and select major gold mines.

The Battle Mountain Portfolio

The Battle Mountain Portfolio is comprised of 15 separate Projects that total over 44,478 acres across 2,203 unpatented claims in five counties: Elko County, Eureka County, Humboldt County, Lander County, and Nye County. The Battle Mountain Portfolio is primarily located along the Battle Mountain-Eureka Trend, a belt of gold deposits spanning over 100 miles in length between Battle Mountain and Eureka, Nevada, which is home to several of the United States' largest gold mines, including Nevada Gold's world-famous Cortez and Phoenix operations, which produced a combined 1 million ounces of gold in 2020⁽¹⁾, and SSR Mining Inc.'s Marigold Mine, which is expected to produce approximately 2.37 million ounces of gold between 2018 and 2028.⁽¹¹⁾

The northernmost Projects in the Battle Mountain Portfolio, the Golconda and Clover Projects, lie just south of the Getchell Gold Belt, which bridges the northwestern ends of the Carlin and Battle Mountain Trends, and contains Nevada Gold's Turquoise Ridge Mine, the third largest gold mine in the US with 537,000 oz of gold production reported in 2020.⁽¹⁾ The Brock and Stargo Projects are situated on the southern end of the Austin-Lovelock Trend, southwest of Eureka and northeast from Kinross Gold Corporation's Round Mountain Mine, which placed as the fourth largest gold mine in the US⁽¹⁾ and, in November of 2018, poured its 15 millionth ounce of gold since beginning operations in 1978.⁽¹²⁾

Below is a complete list of Projects that comprise the Battle Mountain Portfolio:

- **The Brock Project:** 220 unpatented claims in Eureka County
- **The Clipper Project:** 69 unpatented claims in Lander County
- **The Clover Project:** 169 unpatented claims in Elko County
- **The Elder Creek Project:** 6 unpatented claims in Lander County
- **The Elephant Project:** 197 unpatented claims in Lander County
- **The Golconda Project:** 108 unpatented claims in Humboldt County
- **The Horseshoe Basin Project:** 50 unpatented claims in Lander County
- **The Long Peak Project:** 34 unpatented claims in Lander County
- **The North Battle Mountain Project:** 67 unpatented claims in Lander County
- **The North Mill Creek Project:** 23 unpatented claims in Lander County
- **The Pipeline South Project:** 144 unpatented claims in Lander County
- **The Stargo Project:** 337 unpatented claims in Nye County
- **The Walti Project:** 402 unpatented claims in Eureka County and Lander County
- **The West Cortez Project:** 274 unpatented claims in Lander County
- **The West Whistler Project:** 103 unpatented claims in Eureka County

The Battle Mountain Portfolio is comprised of primarily early-stage projects. While drilling has been completed at some Projects, such as Elder Creek (155 holes) and Clover (104 holes), many have only surface sampling and geophysical surveys completed. Notable drill intersects include 25.3 g/t Au over 9.75 meters at Clover⁽¹³⁾ and, according to documentation provided by Waterton Global Resource Management, Inc., 3.19 g/t Au over 38.96 meters at Elder Creek, and 8.02 g/t Au and 174 g/t Ag over 9.14 meters at Long Peak. Of particular note are the Long Peak, Elephant, Elder Creek, North Mill Creek, Clipper, Pipeline South, and West Cortez, and Walti

Projects which are interpreted to lie along the northwest trending fault that hosts the high-grade Pipeline deposit, which is included in Nevada Gold's Cortez Mine.

Terms of the Pending Acquisitions

Under the terms of the Securities Exchange Agreement between Element79 Gold and Goldco, Element79 Gold has agreed to acquire, subject to regulatory approval, all of the issued and outstanding shares of Goldco in exchange for a \$300,000 cash payment, and 2,525,000 common shares of Element79 Gold. The Securities Exchange Agreement contains customary representations, warranties, covenants and closing conditions applicable to a transaction of this nature. Element79 expects to complete the acquisition of Goldco on or around November 30, 2021.

Goldco had previously entered into the Asset Purchase Agreement with Clover Nevada LLC, a wholly-owned subsidiary of Waterton Precious Metals Fund II Cayman, LP and Maverick Springs Mining Company, LLC (collectively, the "Vendors") to acquire 100% interest in the Maverick Springs Project and the Battle Mountain Projects. Pursuant to the Asset Purchase Agreement, the Vendors will retain a \$500,000 deposit previously advanced by Goldco and Element79 Gold, which will assume all obligations under the Asset Purchase Agreement upon completion of its acquisition of Goldco, will make an additional \$1,500,000 cash payment as directed by the Vendors. Element79 Gold will also issue such number of shares as is required to result in the Vendors holding a 9.9% equity interest in Element79 Gold on a basic, non-diluted, basis immediately following the issuance of such shares, subject to a maximum of \$6,000,000 worth of shares being issued. Element79 Gold must also create and issue a contingent value right (the "CVR") to Waterton Nevada Splitter, LLC ("Splitter LLC"), a subsidiary of Waterton Precious Metals Fund II Cayman, LP. Pursuant to the CVR, Splitter LLC will be entitled to receive a cash payment of \$2,000,000 payable on the earlier of the occurrence of commercial production and the date that is 12 months following the closing of the acquisition of Maverick Springs and the Battle Mountain Portfolio. Splitter LLC will also be entitled to receive a second payment, in cash or common shares of Element79 Gold, on the date that is 12 months following the closing of the acquisition of Maverick Springs and the Battle Mountain Portfolio. The amount of the second payment will be equal to the shortfall (if any) between \$6,000,000 and the value of the common shares of Element79 Gold issued at closing pursuant to the Asset Purchase Agreement. Splitter LLC will be granted a security interest in Maverick Springs and the Battle Mount Portfolio, which will be released upon completion of the payments under the CVR. Splitter LLC will also enter into a voting support and lock-up agreement pursuant to which it will agree to: (i) vote all shares of Element79 Gold it holds in accordance with managements recommendations; (ii) retain 50% of the common shares of Element79 Gold issued to it pursuant to the Asset Purchase Agreement for at least six months after closing and the remaining 50% for at least twelve months after closing; and (iii) grant Element79 Gold a right of first offer to in relation to the sale of any common shares of Element79 Gold held by Splitter LLC.

The Maverick Springs Project possesses a total net smelter return royalty ("NSR") of 7.4%, including 1.5% payable to Maverix Metals Inc. Element79 Gold hopes to renegotiate the various NSRs in order to create an economically viable path forward to the benefit of all parties. The Asset Purchase Agreement as it relates to the Battle Mountain Portfolio and all 15 of its Projects

is made on an as-is, where-is basis and accordingly does not disclose any net smelter return royalty or other royalties payable to any other party.

Qualified Person

The technical information in this release has been reviewed and verified by Neil Pettigrew, M.Sc., P. Geo., Director of Element79 Gold and a "qualified person" as defined by National Instrument 43-101.

About Element79 Gold

Element79 Gold is a mineral exploration company focused on the acquisition, exploration and development of mining properties for gold and associated metals. The Company has an option to acquire 100% interest in the Dale Property which consists of 90 unpatented mining claims located approximately 100 km southwest of Timmins, Ontario, Canada in the Timmins Mining Division, Dale Township. For more information about the Company, please visit www.element79.gold or www.element79gold.com

Contact Information

For corporate matters, please contact:
James C. Tworek, Chief Executive Officer
E-mail: jt@element79gold.com

For investor relations inquiries, please contact:
Investor Relations Department
Phone: +1 (604) 200-3608
E-mail: investors@element79gold.com

Sources

Element79 Gold makes no warranty as to the completeness, accuracy, verifiability, or suitability of any of the information contained on the following third-party links and expressly undertakes no obligation to update the following links.

(1) <https://www.kitco.com/news/2021-04-05/Top-10-biggest-gold-mines-in-the-United-States-report.html>

(2) Kinross Bald Mountain Mine 2020 Mineral Reserves and Resources
<https://www.kinross.com/operations/default.aspx#reserves>

(3) Technical Report Maverick Springs Project Nevada, USA prepared for Vista Gold Corp. and Silver Standard Resources, April 13, 2004, available on SEDAR

(4) Evidence for a magmatic origin for Carlin-type gold deposits: isotopic composition of sulfur in the Betze-Post-Screamer Deposit, Nevada, USA - Stephen E. Kesler, Lee C. Riciputi, Zaojun

Ye, May 28, 2005

https://deepblue.lib.umich.edu/bitstream/handle/2027.42/46046/126_2005_Article_477.pdf;jsessionid=34000A663A86E4DA526E84CEB03811AD?sequence=1

(5) Vista Gold Corp. News Release 2004 <https://www.vistagold.com/news/archive/news-2004/578-vista-gold-corp-announces-updated-resource-estimate-for-the-maverick-springs-project-in-nevada>

(6) Vista Gold Corp., December 16, 2002, Resource Estimate Report for the Maverick Springs Project Nevada, USA, available on SEDAR

(7) Special Publication MI-2019: The Nevada Mineral Industry 2019 - Nevada Bureau of Mines and Geology, p. 3 https://pdacnv.com/wp-content/uploads/2021/03/2019_MI_Report_Draft_21621.pdf

(8) Barrick Gold Corporation, March 22, 2019, NI 43-101 Technical Report on the Goldstrike Mine, Eureka and Elko Counties, State of Nevada, USA, available on SEDAR

(9) <https://education.kitco.com/precious-metals/largest-gold-mines-north-america-q1-2020>

(10) Barrick Gold Corporation, 2015 Year-End Report and Fourth Quarter Results https://s25.q4cdn.com/322814910/files/doc_financial/quarterly_results/2015/q4/Barrick-2015-Q4-Year-End-Report.pdf

(11) SSR Mining Inc., June 18, 2018, Updated Marigold Life of Mine Plan Confirms Near-Term Production Growth and Robust Economics http://s22.q4cdn.com/546540291/files/doc_news/2018/2018-06-18-Updated-Marigold-Life-of-Mine-Plan-FINAL.PDF

(12) <https://kinrossworld.kinross.com/en/round-mountain-celebrates-15-million-ounces-poured/>

(13) <https://www.globenewswire.com/en/news-release/2003/09/04/300177/2557/en/Newmont-Options-Atna-s-Clover-Property.html>

Neither the Canadian Securities Exchange nor the Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Technical Disclaimer

This news release and related maps contain information about adjacent properties and properties with similar characteristics on which the Company has no right to explore or mine. Readers are cautioned that mineral deposits on adjacent properties or properties that share similar characteristics are not indicative of mineral deposits on the Company's properties. Readers are also cautioned that this news release contains historical technical information which is based on prior data prepared by previous property owners. A qualified person has not done sufficient work

to confirm such information; significant data compilation, re-drilling, re-sampling and data verification may be required to do so.

Cautionary Note Regarding Forward Looking Statements

This press contains "forward-looking information" and "forward-looking statements" under applicable securities laws (collectively, "forward-looking statements"). These statements relate to future events or the Company's future performance, business prospects or opportunities that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management made in light of management's experience and perception of historical trends, current conditions and expected future developments. Forward-looking statements include, but are not limited to, statements with respect to: the completion of the acquisition of Goldco; the completion of the acquisition of Maverick Springs and the Battle Mountain Portfolio; anticipated benefits to Element79 Gold of the acquisitions of Goldco, Maverick Springs and the Battle Mountain Portfolio; the timing and receipt of required stock exchange and regulatory approvals for the acquisitions of Goldco, Maverick Springs and the Battle Mountain Portfolio; the Company's business strategy; future planning processes; exploration activities; the timing and result of exploration activities; capital projects and exploration activities and the possible results thereof; acquisition opportunities; and the impact of acquisitions, if any, on the Company. Assumptions may prove to be incorrect and actual results may differ materially from those anticipated. Consequently, forward-looking statements cannot be guaranteed. As such, investors are cautioned not to place undue reliance upon forward-looking statements as there can be no assurance that the plans, assumptions or expectations upon which they are placed will occur. All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "forecast", "potential", "target", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements".

Actual results may vary from forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to materially differ from those expressed or implied by such forward-looking statements, including but not limited to: the duration and effects of the coronavirus and COVID-19; risks related to the integration of acquisitions; actual results of exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; commodity prices; variations in ore reserves, grade or recovery rates; actual performance of plant, equipment or processes relative to specifications and expectations; accidents; labour relations; relations with local communities; changes in national or local governments; changes in applicable legislation or application thereof; delays in obtaining approvals or financing or in the completion of development or construction activities; exchange rate fluctuations; requirements for additional capital; government regulation; environmental risks; reclamation expenses; outcomes of pending litigation; limitations on insurance coverage as well as those factors discussed in the Company's other public disclosure documents, available on www.sedar.com. 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. The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included herein should not be unduly relied upon. These statements speak only as of the date hereof. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws.

SOURCE: Element79 Gold Corp.