



Element79 Gold to Acquire High-Grade Peruvian Gold Portfolio

March 10, 2022 – Element79 Gold Corp. (CSE: ELEM) (OTC: ELMGF) (FSE: 7YS) ("**Element79 Gold**", the "**Company**") is pleased to announce that it has signed a Letter of Intent ("LOI") to acquire all of the issued and outstanding securities of Calipuy and all of its assets and undertakings of Calipuy Resources Inc. ("Calipuy") which holds 100% interest in two past producing high-grade gold-silver mines: the Lucero mine ("Lucero"), one of the highest-grade underground mines in Peru's history⁽¹⁾ at grades averaging 19.0 g/t Au Equivalent "Au Eq" (14.0 g/t gold and 373 g/t silver),⁽²⁾ as well as the Machacala Project ("Machacala") which averaged production grades of 10.5 g/t Au Eq (6.0 g/t gold and 340 g/t silver).⁽⁵⁾ Operations were suspended in 2005 at Lucero and 1991 at Machacala due to the persistence of low gold and silver prices at the time.

"Element79 Gold believes Lucero has the potential to be a world class deposit. Lucero and Machacala being recent past producing mines have the potential to be producers again in the near term," remarked James Tworek, President and CEO of Element79 Gold. "Peru has a mining friendly legislation that allows up to 350 tpd production while larger scale production permitting is underway. Element79 Gold intends to pursue the opportunities aggressively."

Lucero Project

Formerly operated as the Shila mine from 1989 to 2005, Lucero consists of 10,805 hectares located in the Shila range of southern Peru, which contains several historic high grade gold-silver mines.⁽¹⁾ Lucero consistently delivered high grades during 16 years of operations, and between 1998 and 2004 reported production averaging approximately 18,800 ounces of gold and 435,000 ounces of silver per year at grades of 19.0 g/t Au Eq (14.0 g/t gold and 373 g/t silver),⁽²⁾ with recoveries at the ore processing facility averaging 94.5% for gold and 85.5% for silver.⁽¹⁾

A recent NI 43-101 report has been prepared for the Lucero Project by Mining Plus. Samples collected by the Qualified Person (the "QP") returned up to 116.8 g/t Au Eq (78.7g/t Au and 2,856 g/t Ag).⁽¹⁾ Due to a lack of historical data, the project does not host any 43-101 compliant or historic resources. However, access to the historic workings is available, and the QP states the Project is underexplored and has significant exploration potential for extension of known veins, and to discover additional veins.⁽¹⁾

Lucero is one of many low-sulphidation epithermal Au-Ag deposits hosted in tertiary volcanics of the Central Andes Cordillera of southern Peru. The project hosts 74 recognized epithermal veins, 14 of which have been partially exploited. The project also hosts unexplored high-sulphidation style mineralization which have returned 33.6 g/t Au at surface samples. High grade 'bonanza-style' direct shipping ore was mined in the past from low-to-intermediate-sulphidation quartz-carbonate massive sulphide veins. Prospecting by previous operator Condor Resources Inc. ("Condor") from 2012 to 2020

identified the high-sulphidation epithermal alteration zone with structures that returned peak sample values of 80.1 g/t Au Eq (33.4 g/t Au and 3,500 g/t Ag). This alteration zone, measuring approximately 1,300 metres by 1,400 metres, exhibited no evidence of prior sampling or drilling and is believed to host potential for a bulk tonnage disseminated gold-silver deposit.⁽¹⁾

“Lucero offers a rare opportunity to explore for not only an underground high-grade low sulphidation system but potentially an open pit-able high sulphidation system as well,” stated Neil Pettigrew, M.Sc., P.Geo, Director of Element79 Gold “This project has never experienced modern exploration techniques and I am very confident that significant gold-silver resources are to be found.”

Three-phase electrical energy from the national grid is available in the town of Chachas 40km from the property. Subject to permitting, surface water is available in streams and small lakes throughout the year. Structures endowed with precious metals have been exploited at Lucero and surrounding areas by artisanal and formal miners over many years. Mining activity targeting high-grade veins is thought to date back to the Inca period.⁽²⁾

A 0.5% NSR is retained by Sandstorm Gold Ltd., one of the largest gold royalty companies in the world.⁽²⁾

Machacala Mine

Machacala consists of over 4,000 hectares located in the District of Carabamba, Province of Julcan, Department of La Libertad. In 2004, Gold Hawk Resources, Inc. ("Gold Hawk") estimated a total inferred resource of 420,000 Au Eq ounces hosted within 1,560,000 tonnes, which equates to a gold equivalent grade of 8.4g/t, however individual gold and silver grades were not reported.⁽⁶⁾ This historic estimate is the most recent historic resource estimate relevant to Machacala, 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. 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.

Machacala was first commercially mined in the 1950s before being acquired and operated by Minera Santa Isabel, S.A. from 1979 to 1991 which mined 230,000 metric tonnes averaging 10.5 g/t Au Eq (6.0 g/t Au and 340 g/t Ag) representing 78,000 Au Eq ounces.⁽⁶⁾ Operations were suspended in 1991 due to the persistence of a low gold (\$360/oz) and silver (\$3.81/oz) price. Neighboring concessions include those owned by Fortescue Metals Group (ASX Listed) and by Fresnillo Peru S.A.C., a subsidiary of Fresnillo plc (LSE Listed).^(4,5)

The project was most recently explored by Gold Hawk and Meridian Gold between 1997 and 2004, with a total of 8,500m in 45 core and RC drill holes completed. Highlights of this drilling include 11.6 g/t Au Eq (11.32 g/t Au and 23.6 g/t Ag) over 3.7m in the Casa Fuerza vein, and 15.7 g/t Au Eq (13.55 g/t Au and 164 g/t Ag) in the Fragua vein. Machacala hosts multiple low-sulphidation epithermal Au-Ag veins, of which only four have been only modestly exploited.⁽⁴⁾

“Machacala possesses significant historical data, as well as 8,500 meters of recent drilling, which will streamline the definition of NI 43-101 compliant resources,” commented Neil Pettigrew, M.Sc., P.Geo,

Director of Element79 Gold. "The project is also at a low elevation and has excellent infrastructure which will facilitate returning the project to production."

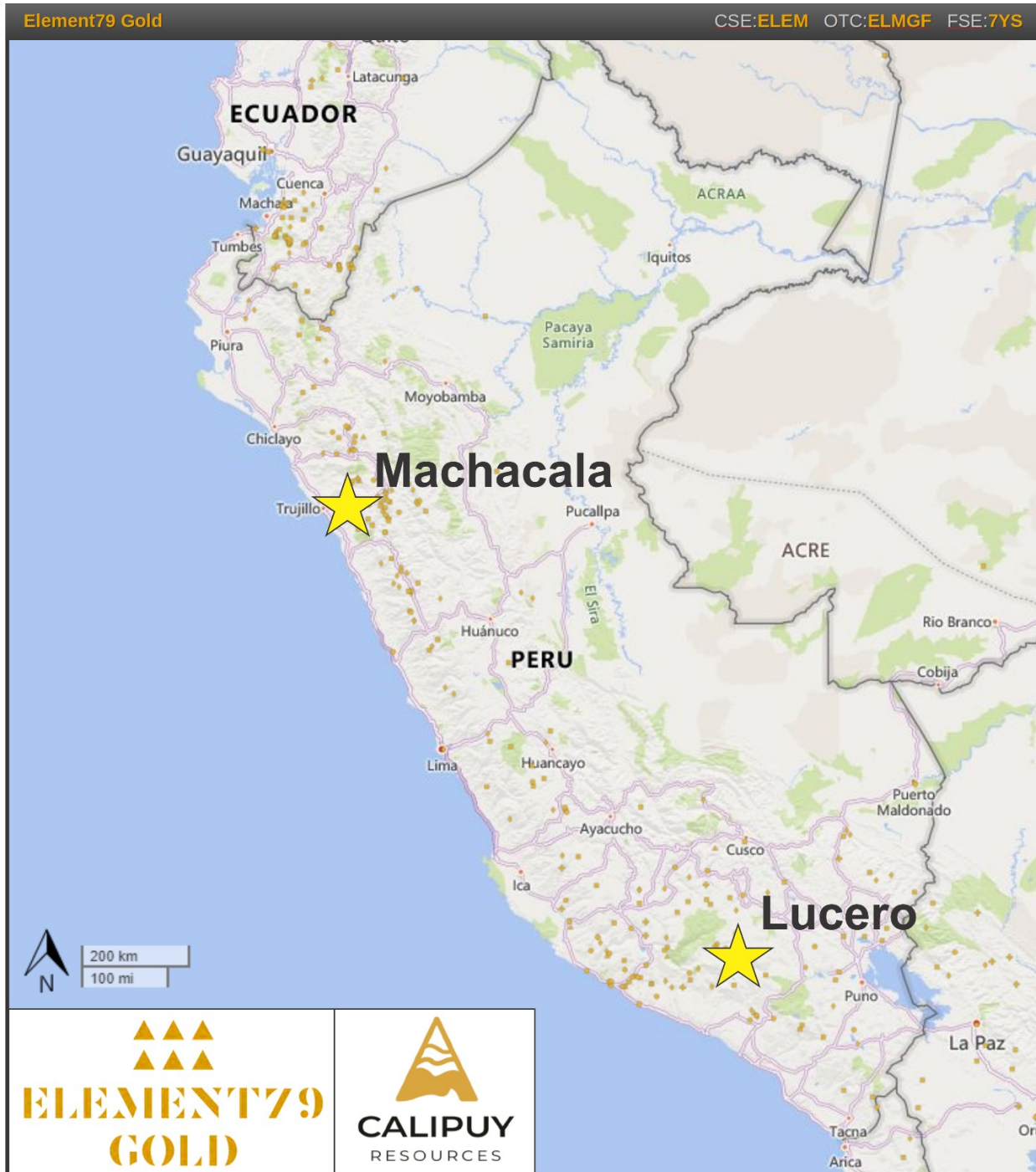


Figure. 1 Location Map of the Lucero and Machacala Projects.

Terms of the Letter of Intent

Under the terms of the LOI, Element79 will acquire all of the issued and outstanding securities of Calipuy and all of its assets and undertakings, subject to the completion of satisfactory due diligence, and the execution of a Definitive Agreement. On closing of the Transaction, Element79 Gold will issue common shares (the "Consideration Shares") to Calipuy's shareholders having an aggregate deemed value of USD\$15 million at an issue price of CAD\$1.07 per share. All share issuances will be paid in CAD denominated shares with the USD exchange rate to be specified in the Definitive Agreement.

Shares issued to shareholders who hold greater than 8% of the issued and outstanding shares of Calipuy (approximately 90% of the common shares issued in the transaction) will become freely trading in two equal portions following holding periods of 6, and 12 months from the execution of the Definitive Agreement. Shares issued to shareholders who hold less than 8% of the issued and outstanding shares of Calipuy (approximately 10% of the common shares issued in the transaction) will become freely trading following a holding period of 4 months and one day from the execution of the Definitive Agreement. These voluntary escrow provisions are in addition to resale restrictions that may be imposed under applicable securities laws.

In addition, Calipuy has the ability to earn a Performance Bonus of an additional 20% warrant coverage paid in Consideration Shares, to be paid upon the properties reaching a minimum production target of 9,000 tons of ore yielding a minimum of 1,500 ounces of gold over a 30 day production period within 3 years from the execution of the Definitive Agreement. This Performance Bonus will be paid in warrants of Element79 Gold stock, priced at CAD \$2.00 with a 3-year duration from their date of issue.

The directors of Calipuy will also be entitled to recommend two directors to the Element79 Gold board of directors, which will expand to 5 directors in total.

The proposed transaction is considered a related party transaction as the Company's COO is also a significant shareholder of Calipuy. The LOI was approved by the directors of the Company who are all arm's length to Calipuy and any interested parties.

"The Peruvian projects complement our recent Nevada acquisitions," Mr. Tworek stated. "Whereas Nevada brings scale with Maverick Springs's NI 43-101 compliant 3.7Moz Au Eq Open Pit inferred resource, Peru brings high-grades and the potential for near term production."

The Company is also pleased to announce that, pursuant to FINRA Rule 6432, it is in the final stages of filing its Form 211.

All gold Equivalent calculations were performed using \$1,650/oz gold, and \$22/oz silver in line with the Company's Maverick Springs 43-101 resource estimate, (see news release January 31st, 2022).

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. Element79 Gold has acquired its flagship Maverick Springs Project located in the famous gold mining district of northeastern Nevada,

USA, between the Elko and White Pine Counties, where it has recently completed a 43-101-compliant, pit-constrained mineral resource estimate reflecting an Inferred resource of 3.71 million ounces of gold equivalent (AuEq; 68.9 g/t silver equivalent) with an effective date of Feb. 4, 2022. The acquisition of the Maverick Springs Project also included a portfolio of 15 properties along the Battle Mountain trend in Nevada, which the Company is analyzing for further merit of exploration, along with the potential for sale or spin-out. In British Columbia, Element79 Gold has executed a Letter of Intent to acquire a private company which holds the option to 100% interest of the Snowbird High-Grade Gold Project, which consists of 10 mineral claims located in Central British Columbia, approximately 20km west of Fort St. James. In Peru, Element79 Gold has signed a letter of intent to acquire the business and assets of Calipuy Resources Inc., which holds 100% interest in the Lucero Mine, one of the highest-grade underground mines to be commercially mined in Peru's history, as well as the Machacala Mine. The Company also 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

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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 proposed transaction with Calipuy and its security holders; the expected terms of the transaction; the prospects for exploration and development at the Lucero and Machacala projects, including that the projects may be able to be put into production in the near term; exploration plans for the Company and Calipuy's projects; prospects for the Lucero and Machacala projects relative to adjacent properties; the terms for issuance of securities, and the proposed escrow thereof; 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 parties may not be satisfied with their due diligence and may not proceed with the proposed transaction; the parties may not enter into a Definitive Agreement, or may not complete the transaction; the Canadian Securities Exchange may object to the transaction as proposed in whole or in part; the Company may not have sufficient financing to carry out its business plan; 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.

Sources

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1. <https://web.archive.org/web/20220308020414/https://condorresources.com/portfolio/lucero/>
2. <https://web.archive.org/web/20220308020532/https://www.sandstormgold.com/our-royalties/lucero/>
3. <https://web.archive.org/web/20220308020649/https://www.sec.gov/Archives/edgar/data/1397970/000118374013000409/f8k08162013ex99-2.htm>
4. <https://web.archive.org/web/20220308020657/https://www.affinitygold.com/machacala-highlights>
5. https://www.bnamericas.com/en/news/Gold_Hawk_Buys_Machala_Project
6. Gold Hawk Resources Inc News Release, 2004-04-26

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