

Element79 Gold Announces \$5M Equity Facility Upsized to \$10M

VANCOUVER, BC / ACCESSWIRE / May 5, 2022 / Element79 Gold Corp.

(CSE:ELEM)(OTC PINK:ELMGF)(FSE:7YS) ("Element79 Gold", the "Company") is pleased to announce that Crescita Capital LLC ("Crescita") has increased its equity drawdown facility commitment to the Company from \$5,000,000 to \$10,000,000. The additional funding is being made available pursuant to an amendment dated May 2, 2022 (the "Amendment") to the original Investment and Advisory Agreement with Crescita dated September 14, 2020 (the "Original Agreement", and together with the Amendment, the "Agreement"). The Company is able to make drawdown requests for funding, from time to time, pursuant to the facility and on closing of each drawdown, the Company will issue common shares to Crescita in accordance with the terms of the Agreement.



The Company has fully utilized the initial \$5,000,000 of Crescita's invested capital in its corporate development and project advancement since its IPO in August 2021, including completing the Phase 1 exploration program on the Dale property, the drilling program on the Snowbird property, and closing on the acquisition of the Nevada portfolio. Element79 Gold intends to utilize the additional capital to continue progress on its high-tempo development strategy, including the upcoming acquisition of the high-grade Peruvian gold portfolio of Calipuy Resources Inc. ("Calipuy"), the continued advancement of the 43-101 compliant mineral resource at the Company's flagship Maverick Springs Project, and further exploration of the highly prospective Battle Mountain Portfolio. Near term, additional diamond drilling and metallurgical studies are planned to enable a significant portion of the Maverick Springs resource to be upgraded from the inferred to the indicated category.

"Securing this additional capital, particularly in this market environment where many investors are tightening their purse strings, could not be a stronger vote of confidence for Element79 Gold" remarked James Tworek, CEO of Element79 Gold. "We appreciate Crescita's repeated investment and belief in our story. The timing is excellent. Element79 Gold now enters into its next phase of development from a position of strength, with the ability to focus on the long-term strategic wins for all our stakeholders."

In addition to providing for the additional \$5,000,000 equity drawdown commitment (the "Second Commitment"), the Amendment provides for certain amendments to the Original Agreement including the addition of the requirement for the Company to make a top up payment to Crescita in the event that the volume weighted average price of the Company's common shares is less than the subscription price paid by Crescita for a particular drawdown in the 30 days following the drawdown, and amends the fees payable to Crescita for the Second Commitment. The Company will pay an 8% fee to Crescita on the Additional Commitment, which fee will be satisfied by the issuance of 533,333 common shares at a deemed price per share equal to the last closing price of the shares prior to the date of the Amendment, less the maximum discount permitted by the Canadian Securities Exchange. These shares are subject to a four-month hold. A copy of the Original Agreement and Amendment are both filed on SEDAR under the Company's profile.

Potential Road to Cashflow Operations: Tailings Utilization and Pre-Production Cashflow

The additional capital will be used to start technical work leading to a PEA and also unlocking the potential for preproduction cashflow through at Machacala as the project develops into 350tpd production. This will also allow the Company to investigate opportunities for cashflow, including reprocessing the historic tailing, estimated to contain approximately 200,000 tonnes at Machacala which were estimated in 1997 by Gold Hawk to contain grades of 1.26 g/t gold and 74 g/t silver.⁽¹⁾ Previous metallurgical studies by Gold Hawk show 87% recoveries of gold and 50%+ recovery of silver in 24 hours of leaching of un-milled tailings, with re-milling able to increase recoveries to 90% of gold and 73% of silver in 24 hours of leaching. While the potential of these tailings is apparent, the Element79 Gold team is reviewing their economic potential and will complete further studies upon completing the acquisition of Calipuy.

"The Peruvian assets, and particularly Machacala, have a clear path towards production in the near-term," commented Antonios Maragakis. "These funds will be critical in progressing the key geological and engineering work to unlock the mines' potential in an expedited manner".

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Jason Wells, Managing Director of Crescita Capital stated: "We are excited to continue to financially support Element79 Gold and its transition from an exploration company to a producer. The upside that this brings all of the shareholders is significant".

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" at a grade of 0.92 g/t AuEq (0.34 g/t Au and 43.4 g/t Ag)) 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 past-producing Lucero Mine, one of the highest-grade underground mines to be commercially mined in Peru's history, as well as the past-producing 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 or www.element79gold.com.

On Behalf of the Company

James Tworek
CEO

Contact Information

Investor Relations Department
Phone: +1 (604) 200-3608
E-mail: investors@element79.gold

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 availability of funding for the Company and issuance of shares to Crescita pursuant to the Agreement; the Company's plans for use of the funding provided by Crescita; the Company's plans for exploration and development of the properties the own or are proposing to acquire; the completion of the acquisition of Calipuy and the advancement of its properties; the prospects for mineral resources on certain properties; the prospects for leaching and milling at certain properties; 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, including the risk that the Company does not advance its properties as planned; that the results of exploration and development are not favorable to the Company; that the projects are not feasible; and the risk that Crescita is not able to fund drawdowns as requested by the Company. 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.

Sources

1. Gold Hawk Resources Inc News Release, 2004-06-28

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.

SOURCE: Element79 Gold Corp.