

Caprock Announces Letter of Intent for Option to Acquire Destiny Gold Project in Quebec

Toronto, Ontario--(Newsfile Corp. - September 23, 2024) - Caprock Mining Corp. (CSE: CAPR) ("**Caprock**" or the "**Company**") is pleased to announce that it has entered into a non-binding Letter of Intent dated September 19, 2024 (the "**LOI**") setting out the terms of an option to acquire a 100% interest in the Destiny gold property ("**Destiny**", or the "**Property**") located in Despinassay township, 75 km northeast of Val D'Or, Quebec from Big Ridge Gold Corp. (the "**Optionor**"), the owner of the Property (the "**Transaction**").

Destiny comprises 127 mineral claims that collectively span an area of 5,013 hectares located less than two hours' drive from Val D'Or. The project lies along a major deformation corridor in the Abitibi greenstone belt that includes the prolific Cadillac-Larder Lake and Destor-Porcupine fault zones which host numerous producing and development-stage gold deposits that are in close proximity to Destiny (see Figure 1). The project overlies a 6 km long segment of the poorly explored Despinassay shear zone which is a splay off the regional Chicobi Fault. One of the several gold deposits discovered on the Property is the DAC Deposit which has a NI 43-101 compliant mineral resource estimate ("**MRE**") comprising the following gold inventory:

- 10.8 million tonnes averaging 1.05 g/t Au and containing 364,000 ounces Au in the Indicated category; and
- 8.3 million tonnes averaging 0.92 g/t Au and containing 247,000 ounces Au in the Inferred category.

(The above is based on the March 2011 National Instrument 43-101 ("NI 43-101") technical report on the DAC Deposit authored by Todd McCracken, P.Geo., who is an independent qualified person pursuant to NI 43-101 regulations. The MRE was established using a gold price of US\$973 per ounce Au and a cut-off grade of 0.5 g/t Au. The MRE was constrained by a conceptual open-pit extending down to 400m below surface).

Management believes that gold mineralization is open at the DAC Deposit along strike, at depth and on parallel structures on the Property. This resource expansion potential is in addition to the potential to explore for, and establish, independent mineral resource estimates on several of the other deposits that have previously been identified on the Property.

President & CEO of Caprock, Vishal Gupta states, "Located in a prolific gold jurisdiction, Destiny comes with a substantial gold resource that we hope to significantly enhance in the short- to intermediate-term. With the dramatic surge in gold price over the last 12 months, we expect a brand-new, pit-constrained NI 43-101 compliant MRE that reflects current gold economics will demonstrate a material increase in total gold inventory at the DAC deposit, especially since the 2011 MRE was generated using a gold price of US\$973 per ounce. Our technical team plans to aggressively explore Destiny over the next 12 to 24 months with a view to making further additions to the Property's overall gold inventory. In an increasingly positive environment for gold, Destiny provides Caprock's shareholders a very exciting opportunity to play the precious metals sector."

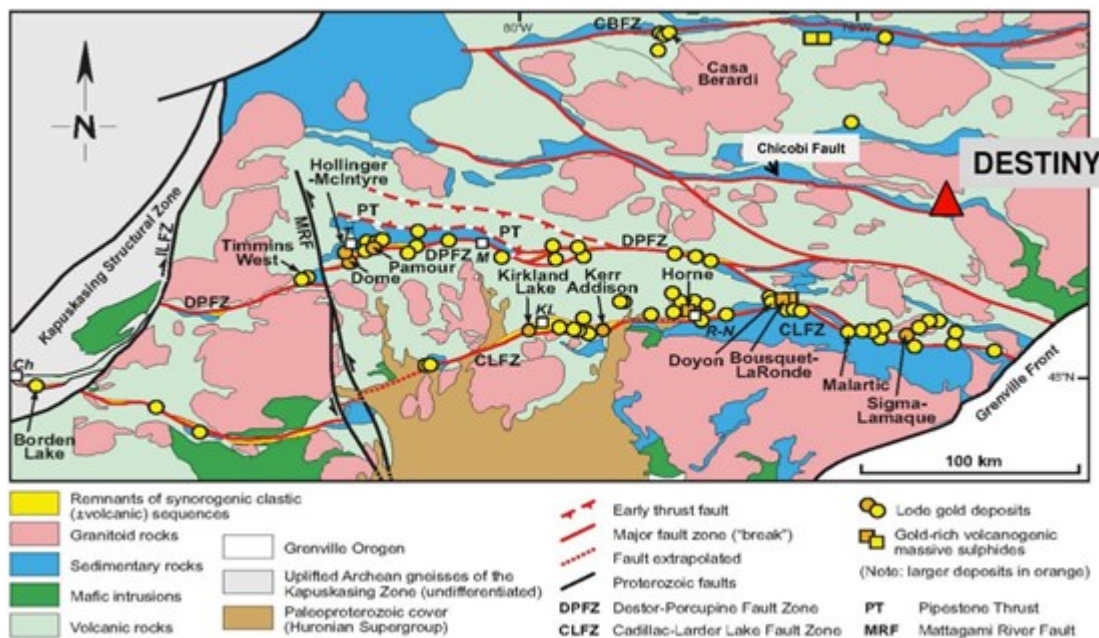


Figure 1: Location of the Destiny gold project relative to other gold projects in the region

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/8515/224220_02285ce194af9a3c_001full.jpg

Terms of the Transaction

Pursuant to the LOI, Caprock would have an option to acquire a 100% interest in the Property by incurring the following obligations over the course of three years (which may be accelerated at Caprock's option) from the date of the closing of the Transaction (the "**Closing Date**"):

- Issuance of 8,000,000 common shares of the Company on the Closing Date at a deemed issue price of \$0.05 per common share for a total deemed value of \$400,000;
- Payment of \$100,000 in cash and \$250,000 in common shares of the Company on or before the 1-year anniversary of the Closing Date with the number of shares being based on a per share deemed issue price equal to the 30-day volume weighted average price ("VWAP") for the 30 days preceding the date of issuance of the additional common shares;
- Payment of \$250,000 in cash and \$350,000 in common shares of the Company on or before the 2-year anniversary of the Closing Date with the number of shares being based on a per share deemed issue price equal to the 30-day VWAP for the 30 days preceding the date of issuance of the additional common shares;
- Payment of \$400,000 in cash and \$700,000 in common shares of the Company on or before the 3-year anniversary of the Closing Date with the number of shares being based on a per share deemed issue price equal to the 30-day VWAP for the 30 days preceding the date of issuance of the additional common shares;
- Incurring qualified expenditures on the Property totaling \$2,450,000 with the following breakdown:
 - \$200,000 on or before the 1-year anniversary of the Closing Date;
 - an additional \$750,000 on or before the 2-year anniversary of the Closing Date; and
 - an additional \$1,500,000 on or before the 3-year anniversary of the Closing Date.

Upon the completion of the above obligations by Caprock, the Optionor will retain a 1% NSR on the Property, all of which could be purchased by Caprock for \$1,000,000 at any time. Caprock may, at its sole discretion, opt to exchange any of the above-described common share issuances to the Optionor with cash payments for the total deemed value of that particular common share issuance.

The Transaction will be subject to the following conditions:

- Since the Optionor is a related party, the Transaction must be approved by a majority vote from

Caprock's disinterested shareholders;

- The terms outlined in the LOI must be incorporated into a binding definitive option agreement, which is expected to be executed within 30 days following the execution of the LOI;
- The Transaction is conditional upon satisfactory due diligence by Caprock, including but not limited to legal, corporate, financial and technical due diligence, which is expected to be completed within 30 days following the execution of the LOI;
- All common shares of the Company to be issued to the Optionor pursuant to the terms of the Transaction will be subject to a four-month statutory hold period from the date of issuance; and
- The Transaction is subject to standard regulatory and stock exchange approvals.

About Caprock Mining Corp.

Caprock Mining Corp. is a Canadian mineral exploration company focused on exploring battery metals in Newfoundland and precious metals in Ontario.

The Company has an option to earn a 100% interest in the Ackley Lithium-Tin-Molybdenum-REEs property located in the Fortune Bay area of south-eastern Newfoundland. Additionally, the Company's 100% interest in several gold exploration properties gives it a substantial landholding in the historical Beardmore-Geraldton Gold Belt ("BGB") of Ontario - a belt that has produced over four million ounces of gold historically (Reference: [Beardmore-Geraldton Gold Camp - Tashota Resources](#)), and contains the sizeable Greenstone gold project (formerly known as the Hardrock gold project) which is being brought to production by a joint venture partnership between Equinox Gold (TSE: EQX) and Orion Mine Finance (Reference: [Greenstone Gold Mines - Mining & Processing](#)).

The scientific and technical information disclosed in this release has been reviewed and approved by Mr. Vishal Gupta, the Company's President & CEO. Mr. Gupta is a P. Geo. registered with the Professional Geoscientists of Ontario (PGO) and considered a "Qualified Person" as defined under NI 43-101.

For More Information

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Cautionary Statement Regarding Forward-Looking Statements

All statements in this press release about anticipated future events or results constitute forward-looking statements including, but not limited to, statements with respect to: the proposed option agreement, the Company's ability to negotiate a definitive agreement and satisfy the closing conditions, the impact that the Transaction may have on the Company and the development of the Company's business generally. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein, are forward-looking statements. Although Caprock believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since Caprock can give no assurance that such expectations will prove to be correct. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including the risks, uncertainties and other factors identified in Caprock's periodic filings with Canadian securities regulators. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to

differ materially from those contained in the forward-looking statements. Important factors that could cause actual results to differ materially from Caprock's expectations include risks associated with the business of Caprock; risks related to reliance on technical information provided by Caprock; risks related to exploration and potential development of the Company's mineral properties; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of exploration results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and First Nation groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; the ability of the Company to complete the proposed Transaction and other risk factors as detailed from time to time and additional risks identified in Caprock's filings with Canadian securities regulators on SEDAR+ in Canada (available at www.sedarplus.ca). Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Caprock does not undertake any obligation to update forward-looking statements except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.

Where this press release states, "The project lies along a major deformation corridor in the Abitibi greenstone belt that includes the prolific Cadillac-Larder Lake and Destor-Porcupine fault zones which host numerous producing and development-stage gold deposits that are in close proximity to Destiny (see Figure 1)," Caprock would like to note that the results from any of the adjacent property(s) are not an indication of what may be found on the Destiny property.

Neither the Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/224220>