

Cirrus Executes Definitive Agreement to Consolidate Lordsburg Porphyry Copper Mining District in New Mexico

Vancouver, British Columbia--(Newsfile Corp. - May 26, 2022) - Cirrus Gold Corp. (CSE: CI) ("**Cirrus**" or the "**Company**") is pleased to announce that further to its news release dated January 13, 2022 (the "**Previous News Release**"), it has entered into a definitive asset purchase agreement (the "**APA**") with Pyramid Peak Mining, LLC ("**PPM**"), a wholly owned subsidiary of Waterton Precious Metals Fund II Cayman, LP ("**Waterton**"), and Mason Resources (US) Inc., a wholly owned subsidiary of Hudbay Minerals Inc. ("**Mason**", and collectively with PPM, the "**Vendors**") to acquire the Lordsburg Property in New Mexico (the "**Acquisition**"). The Acquisition will result in a 'fundamental change of business' of Cirrus in accordance with the policies of the Canadian Securities Exchange (the "**CSE**").

In connection with the closing of the Acquisition, Cirrus will change its name to "American Copper Development Corporation", and to trade under the ticker symbol "ACDX".

Rick Van Nieuwenhuysen comments: "It has taken a lot of effort over several years to put this deal together and consolidate this 50 square mile land position in this exciting porphyry copper district surrounded by major copper producers. The Lordsburg district has produced gold-silver from high grade epithermal veins as well as lead-zinc and most importantly high-grade copper from the deeper levels of historic workings. There is strong district-scale zoning of the metals indicating that there are several areas where copper rich classic "D" veins (quartz-kspars-sericite-chalcopyrite) have been historically mined and intersected in drilling from underground. Historic drill intersections range from 2 to 3 meters grading 3% to 9% copper plus significant precious metals. These "D" veins typically occur above and adjacent to productive porphyry systems. American Copper has engaged Quantec Geoscience to complete a detailed Induced Polarization survey across approximately 30 square miles of the district. In addition, detailed airborne magnetic, magnetotelluric and LIDAR surveys are also planned. These high-quality geophysical surveys will be used in combination with detailed geologic surface mapping, underground geology based on historic mapping and drilling to target a deep-seated porphyry and/or skarn-related mineralization. **Lordsburg is located in the heart of the southwest porphyry copper province - the most productive copper province in the United States.** We are excited to undertake the first modern exploration program to discover a large porphyry copper-related deposit. It's the right place and the right time - let's Rock-n-Roll!"

Terms of the Transaction

Upon completion of the Acquisition, Cirrus will acquire the Lordsburg Property from the Vendors, as described in further detail in the Previous News Release, in consideration for a combination of common shares in the capital of Cirrus (the "**Common Shares**"), cash, milestone payment rights (the "**Milestone Payments**") and net smelter return ("**NSR**") royalties as further described below.

On closing of the Acquisition, Cirrus will (i) pay PPM \$2,331,500 in cash (which includes \$1,831,500 in proceeds from the sale of 8,140,000 Common Shares arranged by the Company that were disclosed in the Previous News Release as share consideration to PPM), (ii) issue PPM or its designee 8,140,000 Common Shares, (iii) make the Milestone Payments (as described below), and (iv) grant PPM or its designee a 1.5% NSR royalty on minerals produced from the lands purchased from PPM (except for certain excluded claims subject to pre-existing royalties) and a 0.5% NSR royalty on all minerals produced from the lands purchased from Mason (the "**PPM Royalties**"). Cirrus will (i) issue Mason or its designee 9,896,591 Common Shares and (ii) grant Mason or its designee a 1.5% NSR royalty on minerals produced from the lands purchased from Mason and a 0.5% NSR royalty on all minerals produced from the lands purchased from PPM (except for certain excluded claims subject to pre-existing royalties) (the "**Vendor Royalties**").

With respect to Milestone Payments, Cirrus will enter into a milestone payment rights agreement with PPM, or a designee of PPM (the "**Milestone Agreement**"), and pay PPM the transferable right to receive cash (or subject to the terms of the Milestone Agreement, Common Shares) according to the following payment schedule: (i) \$1,000,000 on the date that is 12 months following the date of the Milestone Agreement, (ii) \$1,500,000 on the date that is 24 months following the date of the Milestone Agreement, and (iii) \$2,500,000 on the date that is 36 months following the date of the Milestone Agreement.

Further details of the Acquisition will be included in subsequent news releases and disclosure documents (which will include business and financial information in respect of Cirrus) to be filed in Canada in connection with the Acquisition. Closing of the Acquisition is expected to occur by May 30, 2022 and is subject to a number of customary conditions, including, without limitation, the execution of related transaction documents, satisfaction of certain closing conditions, completion of the Concurrent Financing (as defined below) and receipt of all requisite shareholder and regulatory approvals in connection with the Acquisition, including approval of the CSE.

Concurrent Equity Offering

In connection with the Acquisition, Cirrus intends to complete a best efforts private placement of approximately \$10 million at a price of \$0.25 per subscription receipt (the "**Concurrent Financing**"), each of which will automatically convert into Common Shares upon completion of certain escrow conditions, most notably the closing of the Acquisition. Additional details concerning the terms of the Concurrent Financing will be provided in a subsequent news release.

This news release does not constitute an offer to sell and is not a solicitation of an offer to buy any securities in the United States. The securities of the Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to "U.S. Persons" (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration.

About the Company

Cirrus is engaged in the business of mineral exploration and the acquisition of mineral property assets in New Mexico and British Columbia. Its objective is to locate and develop economic copper and other base and precious metal properties of merit and to conduct its exploration programs on the Lordsburg Property in New Mexico and the Chuchi South Property in British Columbia.

For more information, please refer to the Company's prospectus dated July 7, 2021, available on SEDAR (www.sedar.com).

Cirrus Gold Corp.

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Cautionary Statement Regarding Forward-Looking Information

This news release includes certain "forward-looking information" under applicable Canadian securities legislation. Forward-looking information involves risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or

implied by such forward-looking information. Forward-looking information in this news release includes, but is not limited to, statements with respect to: the structure, terms and conditions of the Acquisition; the completion of the Acquisition and satisfaction of any obligations thereunder, the completion of the Concurrent Financing; the satisfaction of any Milestone Payments being made; the Vendor Royalties; the Company's objectives, goals or future plans; the requisite approvals with respect to the Acquisition; and the business, operations, management and capitalization of Cirrus following closing. Forward-looking information is necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking information. Such factors include, but are not limited to: general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals; those additional risks set out in Cirrus' public documents filed on SEDAR at <http://www.sedar.com>; and other matters discussed in this news release. Accordingly, the forward-looking information discussed in this release, including the completion of the Acquisition and Concurrent Financing, may not occur and could differ materially as a result of these known and unknown risk factors and uncertainties affecting Cirrus. Although Cirrus believes that the assumptions and factors used in preparing the forward-looking information are reasonable, undue reliance should not be placed on this information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, Cirrus disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events, or otherwise.

Reader Advisory

Completion of the Acquisition and Concurrent Financing is subject to a number of conditions, including but not limited to CSE acceptance. The Acquisition and Concurrent Financing cannot close until these conditions are satisfied or, if applicable, waived. There can be no assurance that the Acquisition and Concurrent Financing will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the listing statement or other disclosure document to be prepared in connection with the Acquisition and Concurrent Financing, any information released or received with respect to the Acquisition and Concurrent Financing may not be accurate or complete and should not be relied upon. Trading in the securities of Cirrus should be considered highly speculative.



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