

Pegmatite One Announces Option Agreement with ASX Listed Valor Resources and Amendments to Existing Option Agreements

Vancouver, British Columbia--(Newsfile Corp. - December 5, 2023) - Pegmatite One Lithium and Gold Corp. (CSE: PGA) ("Pegmatite One" or the "Company") is pleased to announce it has entered into an agreement dated December 4, 2023 (the "Agreement"), with Valor Resources Limited ("Valor"), an arm's length party, listed on the ASX. The Agreement grants Valor the right to acquire a 100% interest (subject to existing net smelter returns) in the Company's Frazer Lake Project (the "Frazer Property") and Morrison River Project (the "Morrison Property") for a total of A\$400,000 cash (or 100,000,000 ordinary shares in the capital of Valor (each a "Valor Share") at a deemed issue price of \$0.004 per Valor Share, at Valor's election) and 1,250,000,000 Valor Shares (collectively, the "Transaction").

Valor Details

Valor is an ASX listed, Australia-based exploration company with a focus on uranium and rare earths projects in Canada. Valor's Canadian portfolio includes:

- Hook Lake Uranium Project:** Valor has the right to earn an 80% working interest in this project, located about 60 kilometers east of the Key Lake Uranium Mine in northern Saskatchewan. The project spans over 25,846 hectares and includes 16 contiguous mineral claims with several prospective areas for uranium mineralization.
- Cluff Lake Uranium Project:** This project is situated 7 kilometers east of the Cluff Lake Uranium Mine and consists of 19 contiguous mineral claims covering approximately 57,499 hectares. Valor has a 100% interest in this project.
- Additional Projects in the Athabasca Basin:** Valor holds a 100% interest in six additional projects within the Athabasca Basin, covering over 16,897 hectares. These include the Hidden Bay Project, Surprise Creek Project, Pendleton Lake Project, Beatty River Project, Smitty Project, and Lorado Project.

Management Commentary

Kelly Abbott, CEO of Pegmatite One, expressed his enthusiasm, stating, "As we embark on this transformative journey with Valor Resources, we are not only advancing our strategic goals but also ensuring significant value creation for our shareholders." Abbott continued, "the acquisition of our projects by Valor marks a new chapter in our story. It represents a synergy of exploration excellence and shareholder interests. Our confidence in this venture is reflected in our decision to reward our shareholders, who are the bedrock of our success. Together, we are poised to explore the untapped potential of our lithium projects and contribute to the sustainable energy landscape."

The Company intends to further pursue further exploration of it's BC property, Georgina. The Georgina Property consists of one mineral claim covering 2,069 hectares.

Transaction Details

Morrison Property

Pursuant to the Agreement, Valor may acquire a 100% interest (subject to existing net smelter returns) in the Morrison Property, which is a non-binding obligation of the parties, by Valor paying the Company a total of A\$80,000 cash (or 20,000,000 ordinary shares in the capital of Valor (each a "Valor Share") at a deemed issue price of \$0.004 per Valor Share, at Valor's election) and 250,000,000 Valor Shares, as follows:

A. A\$20,000 cash or 5,000,000 Valor Shares, at Valor's election, on the earlier of:

- i. upon execution of a definitive agreement (the "**Formal Agreement**") between the parties relating to the Morrison Property; or
- ii. December 31, 2023, provided the Company has completed their due diligence on Valor, which date is extended until the date that the Company has completed their due diligence on Valor.

B. A\$30,000 cash or 7,500,000 Valor Shares, at Valor's election, on the earlier of:

- i. upon commencement of on ground field-based exploration activities; or
- ii. June 1, 2024.

C. A\$30,000 cash or 7,500,000 Valor Shares, at Valor's election, on or before the 3rd month anniversary from commencement of on ground field-based exploration activities.

D. On or before September 30, 2024, 250,000,000 Valor Shares, if Valor elects to proceed with the acquisition of 100% interest (subject to existing net smelter returns) in the Morrison Property.

Frazer Property

Pursuant to the Agreement, Valor may acquire a 100% interest (subject to existing net smelter returns) in the Frazer Property, which is a binding obligation of the parties, by Valor paying the Company a total of A\$320,000 cash (or 80,000,000 Valor Shares, at Valor's election) and 1,000,000,000 Valor Shares, as follows:

A. A\$80,000 cash or 20,000,000 Valor Shares, at Valor's election, on the earlier of:

- i. upon execution of a Formal Agreement between the parties relating to the Frazer Property; or
- ii. December 31, 2023, provided the Company has completed their due diligence on Valor, which date is extended until the date that the Company has completed their due diligence on Valor.

B. A\$120,000 cash or 30,000,000 Valor Shares, at Valor's election, on the earlier of:

- i. upon commencement of on ground field-based exploration activities; or
- ii. June 1, 2024.

C. A\$120,000 cash or 30,000,000 Valor Shares, at Valor's election, on or before the 3rd month anniversary from commencement of on ground field-based exploration activities.

D. On or before September 30, 2024, 1,000,000,000 Valor Shares, if Valor elects to proceed with the acquisition of 100% interest (subject to existing net smelter returns) in the Frazer Property.

The cash and share payments to be made by Valor for the Frazer Property in A. and B. above, are firm commitments and must be made even in the event that Valor terminates the Agreement and chooses not to exercise the option for the Frazer Property, except in certain circumstances.

The Agreement contains, and the Formal Agreements will contain, customary representations, warranties and covenants for transactions of this type, including a termination fee up to A\$500,000 in the event that the Transaction is terminated as a result of a breach of the non-solicitation covenants and up to A\$250,000 in the event of breach of representations and warranties. The Agreement also provides for a non-solicitation covenant and a provision for the right for each party to match any superior proposal for a period of ten business days.

The Transaction is subject to, among other things, the approval of Pegmatite One shareholders, if required, receipt of required regulatory approvals, and other customary conditions of closing.

Amendments to Existing Option Agreement

1st Option Agreement

Pegmatite One is pleased to announce it has entered into an amending agreement (the "**1st Amending Agreement**"), to amend the option agreement previously announced by the Company on June 28, 2023 (<https://api.newsfilecorp.com/redirect/DZAOOigNxo>) (the "**1st Option Agreement**"), to reduce the consideration to be paid upon exercise of the 1st Option Agreement and extend the deadline for the consideration to be paid. Pursuant to the 1st Amending Agreement, in order for the Company to exercise its option in the 1st Option Agreement, it will now be required to pay:

- A. \$25,000 (previously \$250,000) on or before August 8, 2026 (previously June 28, 2024); and
- B. issue 2,000,000 common shares of the Company (each a "**PGA Share**") (previously 20,000,000 PGA Shares) on or before August 8, 2026 (previously June 28, 2024).

2nd Option Agreement

Pegmatite One is pleased to announce it has entered into a second amending agreement (the "**2nd Amending Agreement**"), to amend the option agreement previously announced by the Company on August 10, 2023 (<https://api.newsfilecorp.com/redirect/rvRppc5v74>) (the "**2nd Option Agreement**"), as previously amended to reduce the consideration to be paid upon exercise of the 2nd Option Agreement and amend the deadline for the consideration to be paid. Pursuant to the 2nd Amending Agreement, in order for the Company to exercise its option in the 2nd Option Agreement, it will now be required to pay:

- A. \$25,000 (previously \$1,000,000) on or before August 8, 2026 (previously August 14, 2024); and
- B. issue 3,200,000 PGA Shares (previously 32,000,000 PGA Shares) on or before August 8, 2026 (previously August 14, 2024).

On Behalf of Pegmatite One Lithium and Gold Corp.

Kelly Abbott, CEO

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About Pegmatite One Lithium and Gold Corp.

Pegmatite One is a publicly traded company exploring for lithium and gold. The company is committed to responsible mining practices and operates two mineral exploration properties in Northwestern Ontario and a third mineral exploration property on Vancouver Island.

Forward-Looking Information and Cautionary Statements

Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend" or the negative of these terms and similar expressions. Forward-looking statements in this news release include statements relating to: the transformative impact and significant value creation of the Transaction; synergies expected with the closing of the Transaction; the satisfaction of closing conditions including, without limitation (i) shareholder approval; (ii) necessary approvals; and (iii) other closing conditions, including, without limitation, obtaining certain consents, and compliance by the Company and Valor with various covenants contained in the Agreement. In particular, there can be no assurance that the Transaction will be completed.

Forward-looking information in this press release are based on certain assumptions and expected future events, namely: results of operations, performance, industry trends; the Company's ability to satisfy closing conditions; the Company's ability to maintain its mineral tenures and concessions in good standing; the Company's ability to manage the economic

conditions or financial markets; the Company's ability to manage the inherent hazards associates with mineral exploration and mining operations; future prices of metals; and changes in general economic conditions.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the Company's inability to satisfy closing conditions; inability to close the Transaction; the Company's inability to maintain its mineral tenures and concessions in good standing; the Company's inability to manage the economic conditions or financial markets; and the Company's inability to manage the inherent hazards associates with mineral exploration and mining operations; adverse changes to future prices of metals; adverse changes in general economic conditions.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/189863>
(<https://api.newsfilecorp.com/redirect/V7pvvHbOJ3>)

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