



Newrange Gold Corp.

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Newrange Gold Signs Non-Binding Term Sheet For Business Combination with ASX Listed Mithril Resources to Create a New Americas-Focused Exploration & Development Company

Highlights:

- Newrange Gold Corp. (“Newrange”) has entered into a non-binding term sheet with Mithril Resources Limited (ASX: MTH) for the friendly, at-market business combination of the two companies, whereby Newrange will acquire 100% of the issued capital in Mithril Resources via a reverse takeover (the “RTO”).
- The non-binding term sheet is conditional upon a number of standard conditions, including completion of satisfactory due diligence by each of the parties on each other, completion of financings, the acceptance of the RTO by the shareholders of Mithril Resources and the TSX Venture Exchange, and the negotiation and execution of a formal Definitive Agreement.
- As a result of the RTO, the companies will expand and diversify their project portfolios under development and enhance their management teams to benefit from their collective discovery and mine development experience underpinned by a track record of value-creation.
- The combined Board and Management from Mithril and Newrange will result in a strong team with considerable years of experience and success operating in the prolific Sierra Madre gold-silver belt of Mexico, where Mithril’s high-grade, district-scale, epithermal gold-silver Copalquin Project is located.
- Mithril will enhance its market presence with a listing on the TSX Venture Exchange, thereby broadening research coverage and trading liquidity, while Newrange shareholders will gain exposure to a district-scale gold-silver property that already hosts a substantial high-grade gold-silver JORC-compliant resource in just one of several targets, with significant growth potential.
- At the El Refugio target area, within the Copalquin Project, there is a Historic Maiden JORC-compliant Mineral Resource Estimate¹ (Rodney Webster, principal Consultant, AMC Consultants Pty Ltd, 16 November 2021) comprising 691,000 tonnes @ 5.43 g/t gold, 114.2 g/t silver (7.06 g/t Au eq²) for 121,000 oz gold plus 2,538,000 oz silver (157,000 oz Au eq) in the Indicated category and 1,725,000 tonnes @ 4.55 g/t gold and 151.7 g/t silver (6.72 g/t Au eq) for 252,000 oz gold plus 8,414,000 oz silver (372,000 oz Au eq) in the Inferred category, using a cut-off grade of 2.0 g/t Au eq.
- Newrange’s existing projects in the prolific Red Lake District of northwestern Ontario will provide geographic diversification with the potential for new discoveries and the depth extension of the past producing Argosy Gold Mine (1931 to 1952 - 101,875 ounces of gold and minor amounts of silver from 276,573 tons of ore at an average grade of 12.7 g/t Au), only 10 kilometres from the Springpole deposit being developed by First Mining Gold Corp.



Newrange Gold Corp.

OTCQB: NRGOF

Where Exploration Intersects Discovery

TSXV: NRG

¹ Newrange is not treating these estimates as current mineral resources as a qualified person on behalf of Newrange has not done sufficient work to classify these estimates as current mineral resources. As a requirement of the RTO, Mithril will be producing a NI 43-101 compliant technical report that will incorporate the JORC-compliant resource for the purposes of the Resulting Issuer.

²Au eq. = gold equivalent calculated using a gold:silver price ratio of 70:1. That is, 70 g/t silver = 1 g/t gold. The metal prices used to determine the 70:1 ratio are the cumulative average prices for 2021: gold USD1,798.34 and silver USD25.32.

VANCOUVER, BRITISH COLUMBIA, March 6, 2023 (TSXV: NRG, US: NRGOF, Frankfurt: X6C) – Newrange Gold Corp. ("Newrange" or the "Company") is pleased to announce that it has entered into a non-binding term sheet with Mithril Resources Limited ("**Mithril**") dated March 6, 2023, for a proposed friendly business combination of the two companies. Under the terms of the agreement, Newrange will acquire 100% of the issued share capital of Mithril, resulting in Newrange remaining as the surviving entity. The arm's length transaction will be classified as a Reverse Take Over under the rules of the TSX Venture Exchange (the "**RTO**") and the Resulting Issuer will be a Tier 2 mining issuer.

"This is an exciting opportunity and marks a new beginning for Newrange shareholders," stated Robert Archer, Newrange's President & CEO. "The proposed combination with Mithril will result in a new Americas and precious metals focused exploration & development company with a highly experienced management team, enhanced market presence, a solid resource foundation, and significant growth potential. The grades at Copalquin are impressive and the 7,000 hectare district-scale property has excellent potential for resource expansion and additional discoveries. Our existing North Birch and past-producing Argosy Gold Mine properties in the Red Lake District provide geographic diversity and further discovery and resource development potential."

At the present time, Mithril and Newrange are undertaking due diligence on each other's assets and negotiating the final terms of the RTO. The parties intend for the RTO to proceed by way of a scheme of arrangement between Mithril and its shareholders (the "**Share Scheme**") and a separate concurrent scheme of arrangement between Mithril and the holders of unlisted options (the "**Option Scheme**") (together, the "**Scheme**").

The Scheme will be subject to shareholder and Court approval in Australia in accordance with the requirements of Part 5.1 of the *Corporations Act 2001* (Cth), as well as the satisfaction of various other conditions that are considered standard for transactions of this nature. The RTO will also be subject to approval by Newrange's shareholders.

Under the Scheme, should it proceed, the companies have agreed to a share exchange ratio of 3.71:1. Newrange will consolidate (the "Consolidation") its share capital on the basis of 12 old shares for one new share, to be conducted in two parts. The first part will be implemented immediately and consist of a 6:1 consolidation in order to effect the Bridge Financing (see below). Shareholders will then be asked to vote on a second consolidation of 2:1 to take effect immediately prior to the closing of the RTO. As a result, on the closing of the RTO, Newrange will issue:

1. 18.08 Newrange shares for every 1,000 Mithril shares held by Mithril shareholders, for a total of 60,919,214 (subject to final adjustments) Newrange shares, based on a maximum equity value for Mithril of CA\$10,965,459, such that Mithril shareholders will hold approximately 78.8% of the resulting issuer and Newrange shareholders will hold approximately 21.2%; and



Newrange Gold Corp.

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2. 7,039,583 warrants to acquire Newrange shares (the “**Newrange Warrants**”) in exchange for 389,285,714 options held by Mithril option holders (the “**Mithril Options**”), with the Newrange Warrants to be issued on the same terms as the relevant Mithril Options being exchanged at completion.

About Mithril:

Mithril Resources Limited is a public precious metals exploration company, incorporated and domiciled in Australia and listed on the Australian Securities Exchange (ASX) under the ticker symbol MTH. Mithril’s primary focus since May 2020 has been the exploration and development of the Copalquin gold-silver district in Durango State, Mexico. Mithril currently holds a registered 50% interest in the project with an option to acquire the remaining 50% interest for US\$10 million in cash and/or shares at any time up to August 2026 (this date may be extended by 2 years with the issuance of 750,000 shares to the property vendor), subject to a 2.5% NSR royalty that can be bought down to 1%. Mithril also has an interest in four Australian projects that have either been optioned out to other companies or are available for option.

As a public company, Mithril’s annual financial statements have been audited and are available on the company’s website at www.mithrilresources.com.au. For the quarter and 6 months ended December 31, 2022, Mithril reported the following unaudited financial information:

	Current quarter \$A'000	Year to date (6 months) \$A'000
Net cash from / (used in) operating activities	(208)	(463)
Net cash from / (used in) investing activities	(505)	(1,949)
Net cash from / (used in) financing activities	1,051	1,051
Cash and cash equivalents at end of period	912	912

It is anticipated that Mr. John Skeet, Managing Director of Mithril, Mr. Stephen Layton and Mr. Garry Thomas, both Non-executive Directors, will become Principals of the combined company (the “Resulting Issuer”). Their backgrounds are as follows:

Name: Mr. John Skeet

Title: Chief Executive Officer / Managing Director

Qualifications: B.App.Sc

Experience and expertise: Mr. Skeet has over 30 years’ experience in gold-silver mining, both in management at operations and developing projects in Australia, Republic of Georgia and Mexico. He successfully developed Ballarat East, Quartzite Gold in Georgia, and Palmarejo Silver Gold Mine in Mexico, prior to the Coeur Mining takeover and was COO of Cerro Resources prior to its takeover by Primero Mining. He has 16 years’ experience in Mexico. He founded Sun Minerals in 2017 and acquired the option to purchase the Copalquin Project in Mexico.

Name: Mr. Stephen Layton

Title: Non-Executive Director

Qualifications: MSIAA

Experience and expertise: Mr. Layton has over 35 years' experience in equity capital markets in the UK and Australia. He has worked with various stockbroking firms and/or AFSL regulated corporate advisory



Newrange Gold Corp.

OTCQB: NRGOF

Where Exploration Intersects Discovery

TSXV: NRG

firms, specializing in capital raising services and opportunities, corporate advisory, facilitation of ASX listings and assisting companies grow.

Name: Mr. Garry Thomas

Title: Non-Executive Director

Qualifications: Assoc. CE

Experience and expertise: Mr. Thomas is a civil engineer with over 35 years' experience in civil construction, mine development and operations. He has been involved in the implementation of mining operations in Australia, Indonesia, Laos, Russia, Zimbabwe, Ghana, Zambia, South Africa, Algeria, Mexico and Mali. He has managed the construction and commissioning of over 20 CIL/CIP, flotation and heap leach plants in Australasia, Russia and Africa as well as many plant upgrades including construction at Palmarejo, Mexico prior to the Coeur Mining take over. Mr. Thomas founded Internet Engineering which he sold to Sedgman Metals.

It is contemplated that Mr. Skeet will assume the role of President & CEO of the Resulting Issuer and Mr. Stephen Layton and Mr. Garry Thomas will both become Principals of the Resulting Issuer.

Following the transaction, Mr. Robert Archer will become Executive Chair, while Ron Schmitz and Colin Jones have agreed to stay on the board of Newrange, and David Cross will remain as CFO and Corporate Secretary. The backgrounds of these individuals are as follows:

Name: Robert (Bob) Archer

Title: Executive Chair

Qualifications: P. Geo, HBS, Laurentian University, Sudbury, Ontario

Experience and expertise: Mr. Archer has more than 40 years' experience in the mining industry, working throughout the Americas. After spending more than 15 years with major mining companies, Mr. Archer held several senior management positions in the junior mining sector and co-founded Great Panther Mining Limited, building it from concept into a mid-tier precious metals producer. He served as President & CEO of Great Panther from 2004-2017 and Director until 2020, and joined Newrange Gold Corp. as a Director in March 2018 followed by his appointment as CEO in January 2019 and President in October 2021.

Name: David Cross

Title: CFO & Corporate Secretary

Qualifications: CPA, CGA

Experience and expertise: Mr. Cross is a CPA and CGA with over 21 years' experience in the junior sector with a focus on finance and corporate governance. He is currently a partner of Cross Davis and Company LLP Chartered Professional Accountant, which specializes in accounting and management services for private and publicly-listed companies within the mining industry.

Name: Colin Jones

Title: Independent Director

Qualifications: Bsc (Earth Sciences), Massey University, NZ

Experience and expertise: Mr. Jones is Principal Consultant for Orimco Resource Investment Advisors, Perth, Australia. He has 40 years' experience as a mining, exploration and consulting geologist in a number of different geological environments on all continents. He has managed large exploration and due diligence projects, and has undertaken numerous bankable technical audits, technical valuations,



Newrange Gold Corp.

OTCQB: NRGOF

Where Exploration Intersects Discovery

TSX: NRG

independent expert reports and due diligence studies worldwide, most of which were on behalf of major international resource financing institutions and banks.

Name: Ron Schmitz

Title: Independent Director

Qualifications: Associate of Commerce, Vancouver Island University.

Experience and expertise: Mr. Schmitz is the Principal and President of ASI Accounting Services Inc., a firm who has provided administrative, accounting and office services to public and private companies since July 1995. Mr. Schmitz has served as a Director and/or Chief Financial Officer of various public companies since 1997, and currently holds these positions with various public and private companies.

Bridge Financing:

Newrange is arranging a non-brokered private placement to raise gross proceeds of up to \$360,000 (the "Bridge Financing") and will initially consolidate its shares on the basis of one new for every six old common shares. The placement will consist of up to 4,000,000 units (post-consolidation; the "Units") at a price of \$0.09 per Unit with each Unit comprising one common share ("Share") in the capital of the Company and one share purchase warrant ("Warrant"), whereby each Warrant shall be convertible into an additional Share at an exercise price of \$0.12 for a period of 36 months from the date of issuance. Finder's fees may be payable. The placement is anticipated to close on or about March 31, 2023.

The net proceeds raised from the Bridge Financing will be used for working capital purposes and to pay for the expenses related to the RTO.

All securities to be issued will be subject to a four-month hold period from the date of issuance and subject to TSX Venture Exchange approval. The securities offered have not been registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

Pursuant to the RTO, the securities issued under the Bridge Financing will be subject to the proposed second consolidation of 2:1.

RTO Concurrent Financing:

In addition to the Bridge Financing, Newrange will be arranging a private placement to raise gross proceeds of up to \$3,600,000 (the "RTO Concurrent Financing"), to close immediately after the Consolidation and concurrently with the closing of the RTO. The placement will consist of up to 20,000,000 units (the "Units") at a price of \$0.18 per Unit (post Consolidation) with each Unit comprising one common share ("Share") in the capital of the Company and one-half share purchase warrant ("Warrant"), whereby each whole Warrant shall be convertible into an additional Share at an exercise price of \$0.27 for a period of 24 months from the date of issuance. Finder's fees may also be paid.

The net proceeds raised from the RTO Concurrent Financing will be used for further exploration and development of the Copalquin Project and working capital.



Newrange Gold Corp.

OTCQB: NRGOF

Where Exploration Intersects Discovery

TSXV: NRG

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Due Diligence and Indicative Timeline:

Under the terms of the non-binding term sheet, the parties have agreed to a period of 20 business days to conduct due diligence investigations.

If the RTO proceeds, the parties intend to execute the relevant transaction documentation (referred to as Scheme Implementation Agreements) for each of the Share Scheme and the Option Scheme by 28 April 2023.

The Scheme will then proceed in accordance with a standard timeline, with dates for the relevant Court hearings and shareholder meetings to be finalised in due course.

Other Information:

It is anticipated that:

- upon completion of the RTO and subject to TSXV approval, Newrange will change its name to Pinnacle Silver and Gold Corp. or such other name as is determined by the companies;
- Newrange will apply for a waiver of sponsorship for the RTO in accordance with the policies of the TSXV; and
- completion of the RTO will be conditional upon arrangements being in place (including obtaining any necessary approvals from Mithril Resources shareholders and the ASX) so that all of the existing employee options and performance rights of Mithril Resources will either be acquired by Newrange Gold, vest (and have resulted in the issue of Mithril Resources shares), lapse or otherwise be cancelled and terminated.

Mithril is preparing a NI 43-101 compliant technical report on the Copalquin Project for submission to the TSXV in accordance with its RTO rules.

Further information about the RTO will be disclosed when available and included in the documentation that will be filed by each of the companies, in due course, in accordance with the policies of the TSXV.

The RTO is not a non-arm's-length transaction within the meaning of the policies of the TSXV. Trading in the shares of the Company on the TSXV has been halted and will remain halted pending formal approval of the RTO by the TSXV and the ASX (as applicable).

QP Statement

Robert Archer, P.Geo., President & CEO and Director of Newrange Gold, has reviewed and approved the scientific and technical information contained in this news release. Mr. Archer is a Qualified Person within the meaning of Canadian Securities Administrator's National Instrument 43-101.



Newrange Gold Corp.

OTCQB: NRGOF

Where Exploration Intersects Discovery

TSXV: NRG

Completion of the transaction is subject to a number of conditions, including, but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Newrange should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

About Newrange Gold Corp.

Newrange is currently focused on district-scale exploration for precious metals in the prolific Red Lake District of northwestern Ontario. The past-producing high-grade Argosy Gold Mine is open to depth, while the adjacent North Birch Project offers additional blue-sky potential. Further information can be found on our website at www.newrangegold.com.

Signed: "Robert Archer"
President & CEO

FOR FURTHER INFORMATION CONTACT:

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Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statement:

Some of the statements in this news release contain forward-looking information that involves inherent risk and uncertainty affecting the business of Newrange Gold Corp. Actual results may differ materially from those currently anticipated in such statements.