



Newrange Gold Corp.

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Newrange Gold Signs Binding Agreement To Acquire Mithril Resources

VANCOUVER, BRITISH COLUMBIA, May 25, 2023 (TSXV: NRG, US: NRGOF, Frankfurt: X6C) – Newrange Gold Corp. (“Newrange” or the “Company”) is pleased to announce that it has signed a binding agreement with Mithril Resources Limited (“**Mithril**”) dated May 25, 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.

Highlights

- Newrange and Mithril (ASX: MTH) have signed a binding Scheme Implementation Deed (“**SID**”) for the implementation of a Scheme of Arrangement (“**Scheme**”) under which Newrange will acquire 100% of the issued capital of Mithril.
- Mithril is an exploration company listed on the ASX with a current focus on the pre-development Copalquin Gold-Silver Project in Durango State, Mexico that hosts a substantial high-grade gold-silver JORC-compliant maiden resource in just one of several targets, with significant growth potential (refer to [Newrange news release of March 6, 2023](#) or <https://mithrilresources.com.au/projects/copalquin-district-mexico/>).
- Pursuant to the Scheme, Newrange will issue to the Mithril securityholders the following:
 - 18.08 Newrange shares for every 1,000 Mithril shares held as at the Record Date for a total of 60,907,985 Newrange common shares at a deemed price of C\$0.18 per share; and
 - 18.08 Newrange warrants for every 1,000 Mithril options held as at the Record Date for a total of 3,164,000 Newrange warrants exercisable at C\$0.77 and 3,874,286 Newrange warrants exercisable at C\$0.36.

implying a fully diluted equity value for Mithril of approximately C\$10,963,437 (AU\$11.8 million).

- The SID provides exclusivity for the parties to complete the transaction, with reciprocal break fees payable in certain circumstances.
- The Scheme is unanimously recommended by the Newrange Board of Directors and the Mithril Board of Directors in the absence of a superior proposal and subject to the Independent Expert retained by Mithril opining that the Scheme is in the best interests of Mithril shareholders.



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- The Scheme is subject to various conditions including approval by Newrange shareholders at a meeting proposed to be held in August 2023 and Mithril shareholders at a Scheme Meeting proposed to be held in August 2023.

Newrange President & CEO, Robert Archer, commented:

“We are very pleased to have entered into the Definitive Agreement with Mithril as this merger represents a new beginning for Newrange shareholders. Not only does the Copalquin Gold-Silver Project bring tremendous value and upside potential but the combined experience of the new management team and board will provide a strong foundation for future growth in the Americas.

Exploration and development in the prolific Red Lake District of Ontario is still active and we intend to capitalize on that with further work on our Argosy Gold Mine and North Birch Projects. Having projects in two leading mining jurisdictions such as Mexico and Canada provides diversity and lowers the risk for shareholders while increasing the discovery potential.

We look forward to completing the RTO process and rebranding the company for a fresh start at a time when precious metal prices are on the rise.”

Mithril CEO and Managing Director, John Skeet, commented:

“The Scheme announced today is an important step in the process to place Mithril’s high-grade Copalquin gold-silver property in a market where there is considerable experience and understanding of the globally significant Mexican minerals industry. The new Americas focussed exploration and development company resulting from the merger with TSXV listed Newrange creates highly experienced and focussed Board and management who are well positioned to take advantage of the considerable growth opportunities at the Copalquin mining district and the two Canadian Red Lake District properties. In both jurisdictions, the new company will be among numerous other Canadian listed companies active in these prolific mining regions where the properties are located. The merger and resulting financing, will provide funds to appropriately advance the properties to increase shareholder value.

The Mithril Board is very pleased to be working with the Newrange Board and extremely proud of the hard work and achievements of Mithril’s Mexico team and the significant progress made in advancing the Copalquin Project to its current exploration and pre-development stages across the Copalquin district.”

TRANSACTION SUMMARY

Newrange and Mithril have executed a binding Scheme Implementation Deed (“**SID**”) for the implementation of a Scheme under which Newrange will acquire 100% of the issued capital of Mithril.

If the Scheme is implemented, Newrange will issue to each Mithril Shareholder and Mithril Optionholder the following:

- in the case of Mithril Shareholders, 18.08 Newrange shares for every 1,000 Mithril shares held as at the Record Date for a total of 60,907,985 Newrange common shares at a deemed price of C\$0.18 per share;



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- in the case of Mithril Optionholders, 18.08 warrants to acquire Newrange shares for every 1,000 options held as at the Record Date, for a total of 3,164,000 Newrange warrants exercisable at C\$0.77 and 3,874,286 Newrange warrants exercisable at C\$0.36,

implying a fully diluted equity value for Mithril of approximately C\$10,963,437 (AU\$11.8 million).¹

Assuming the Scheme is implemented, it is anticipated that:

- Mr. John Skeet will join the Newrange board and assume the role of President & CEO;
- Mr. Robert Archer (current President & CEO and director of Newrange) will become Executive Chairman of Newrange;
- Mr. Ron Schmitz and Mr. Colin Jones (current directors of Newrange) will remain on the board of Newrange;
- Mr. Stephen Layton and Mr. Garry Thomas (current directors of Mithril) will join the Newrange board; and
- David Cross will remain as CFO and Company Secretary of Newrange.

A summary of the qualifications and experience of all board members is set out in Newrange's [initial announcement](#) in relation to the Scheme released on March 6, 2023.

Further, it is anticipated that upon completion of the Scheme, Newrange will consolidate its shares on the basis of two (old) shares for one (new) share (**Consolidation**) and change its name to Pinnacle Silver and Gold Corp. (or such other name as is determined by the parties).

NEWRANGE BOARD RECOMMENDATION

Newrange has carefully reviewed the Scheme and, in the absence of a superior proposal, the Board of Newrange unanimously recommends that Newrange shareholders vote in favour of the Scheme and the Consolidation.

In the absence of a superior proposal, each of the directors of Newrange has committed to vote in favour of the Scheme and the Consolidation at the Newrange shareholder meeting.

MITHRIL BOARD RECOMMENDATION

The Mithril Board, comprising two independent non-executive directors and one executive director, in consultation with its advisors, has carefully considered a range of matters including its view of the status of Mithril's main asset, being the pre-development Copalquin Gold-Silver Project in Mexico, compared to the certainty for shareholders of this share-for-share offer.

The Board of Mithril unanimously recommends that, in the absence of a superior proposal and subject to the Independent Expert opining that the Scheme is in the best interests of Mithril Shareholders and Mithril Optionholders (together, the "**Mithril Securityholders**"), that Mithril Securityholders vote in favour of the Scheme.

¹ Based on 3,368,804,470 fully paid, ordinary Mithril shares at a value of AU\$0.0035 per share.



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In the absence of a superior proposal and subject to the favourable opinion of the Independent Expert, each of the directors of Mithril has committed to vote in favour of the Scheme in respect of the shares and options in which they have an interest.²

Details of the recommendation, commitment to vote in favour and a copy of the Independent Expert Report will be included in a Scheme Booklet expected to be provided to Mithril Securityholders in June 2023.

DETAILS OF THE SCHEME IMPLEMENTATION DEED (SID)

The SID will be subject to various conditions precedent, including:

- Each of Mithril and Newrange completing satisfactory due diligence enquiries into the records and operations of the other.
- Arrangements being made so that all of the existing employee options and performance rights in the capital of Mithril will either be acquired by Newrange, vest (and result in the issue of Mithril shares), lapse or otherwise be cancelled or terminated.
- The Independent Expert concluding that the Scheme is in the best interests of Mithril Securityholders and not changing that conclusion prior to completion.
- All necessary regulatory and government approvals being obtained, including approvals from both the ASX and the TSXV.
- The Australian Court making an order for Mithril to convene the Scheme Meeting.
- The requisite majority of Mithril Securityholders approving the Scheme at a duly convened Scheme Meeting.
- Newrange shareholders approving the Scheme and Consolidation at Newrange's shareholder meeting.
- The Australian Court ordering that the Scheme be implemented (assuming the Mithril Securityholders approve the Scheme at the Scheme Meeting).
- The TSXV approving an updated National Instrument 43-101 technical report on the Copalquin Project.

² The directors of Mithril hold, in aggregate, 803,463,174 Mithril shares and 57,857,143 Mithril options, being 23.9% of Mithril (on a fully diluted basis). Mr. John Skeet, Managing Director of Mithril, holds 25,000,000 Employee Options which may be exercised and converted into shares and Mr Garry Thomas, a non-executive director of Mithril, holds 33,333,333 Performance Rights, which may be converted into shares upon the earlier of (a) determination by a geological consultant of an Inferred JORC Resource of 5.443 Mt at a combined Au Eq grade of not less than 4 g/t for 700 koz Au (or Au Eq) on the Copalquin Project; or (b) Mithril achieving a market capitalisation equal to or greater than A\$150,000,000 for a period of 20 consecutive trading days on which the securities of Mithril traded. The ESOP Options and Performance Rights do not form part of the Scheme and will be subject to a private treaty agreement pursuant to which these securities will be cancelled for consideration equal to the Scheme consideration (less the exercise price, in the case of the ESOP Options), subject to the requisite waiver of ASX Listing Rule 23.2 being obtained. Despite any of the directors' personal interests in the outcome of the Scheme, the directors consider that given the importance of the Scheme and their obligations as directors, it is important and appropriate for them to provide a recommendation to Mithril Securityholders in relation to the Scheme.



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- Newrange completing a private placement to raise up to CA\$3,600,000 (post Consolidation), to be used for further exploration and development of the Copalquin Project and working capital prior to completion of the Scheme.³
- Newrange receiving approval from the TSXV to recommence trading of its securities post-completion of the Scheme.
- Other conditions customary for a transaction of this nature.

The Company notes that, until due diligence is completed, and the conditions precedent are satisfied, there is no certainty that the Scheme will proceed.

EXCLUSIVITY ARRANGEMENTS

The SID contains various standard “no shop”, “no talk”, “notification” and “matching rights” provisions. Mithril and Newrange have agreed that they will not solicit any competing proposal or participate in any discussions or negotiations in relation to any competing proposal (unless failure to do so would involve a breach of the fiduciary duties of its Directors).

The SID also details circumstances under which Mithril may be required to pay a break fee to Newrange and circumstances where Newrange may be required to pay Mithril a reverse break fee, both equivalent to approximately A\$110,000 and payable in certain circumstances.

INDICATIVE TIMETABLE

Newrange shareholders will be asked to approve the Scheme and the Consolidation at a meeting proposed to be held in August 2023 and Shareholders and Optionholders of Mithril will be asked to approve the Scheme at the Scheme Meeting which is also expected to be held in August 2023. Further details of the Scheme, transaction terms and recommendations will be provided to Newrange shareholders in an information circular for the shareholder meeting.

ADVISORS

Mithril has appointed HopgoodGanim as Australian legal advisor and Armstrong Simpson as Canadian legal advisor.

Newrange has appointed Steinepreis Paganin as Australian legal advisor and Pacific Star Corporate Finance Law as Canadian legal advisor.

ABOUT NEWRANGE

Newrange is an exploration company listed on the TSXV, with a focus on district-scale exploration for precious metals in the prolific Red Lake District of north-western Ontario, Canada. The past-producing high-grade Argosy Gold Mine is open to depth, while the adjacent North Birch Project offers additional discovery potential. Further information can be found on our website at www.newrangegold.com.

³ The Bridge Financing referenced in Newrange’s initial announcement in relation to the Scheme on March 6, 2023 has been completed (see [Newrange News Release dated May 2, 2023](#)).



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Signed: "Robert Archer"
President & CEO

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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.