



## INTERBIT™ ANNOUNCES PROPOSED CHANGE OF BUSINESS TO BECOME A MINING ISSUER

Canada / London, UK

March 20, 2020

**INTERBIT LTD.** (TSX Venture: IBIT) (the “**Company**”) announces its intention to complete a “Change of Business” transaction (“**COB Transaction**”) pursuant to the policies of the TSX Venture Exchange (the “**Exchange**”), with the result that the Company will become a Tier 2 mining issuer under the policies of the Exchange and will initially be engaged in the exploration and development of prospective mineral properties.

“Global economic developments have convinced us that unique mining opportunities – especially in the gold sector - will potentially unfold to allow the Company to deliver exceptional returns to our shareholders over the next 3-5 years,” said Brian Hinchcliffe, CEO of the Company. “The Company will use its cash position and management experience to find mining operations that combine low cost, long life production in politically safe jurisdictions. Alongside this new initiative and direction, the Company will continue to seek to commercialize the intellectual property it has accumulated as a technology company.”

In connection with the COB Transaction, the Company is pleased to announce that today it entered into an option agreement dated March 20, 2020 (the “**Agreement**”) with Mr. Mike Leahy (“**Optionor**”), whereby the Company has been granted the option (the “**Option**”) to acquire a 100% interest in and to twenty-seven (27) mineral claims comprising a project known as the Mike Leahy Property (collectively, the “**Property**”) totaling approximately 550 hectares located in the Larder Lake Mining Division in the Province of Ontario. The Optionor is the sole registered owner of the Property.

### Terms of the Agreement

Under the terms of the Agreement, the Optionor has agreed to grant the Option to the Company. In order to exercise the Option and keep it in good standing, the Company will be required to make total cash payments of \$35,000, issue a total of 100,000 common shares of the Company (“**Common Shares**”) and incur exploration expenditures of no less than \$250,000 as follows:

- (a) paying the Optionor \$35,000 upon issuance of a Technical Report (as defined in Agreement) that is to the satisfaction of the Company, in its sole discretion;
- (b) issuing to the Optionor 50,000 Common Shares effective upon issuance of the Technical Report, recognizing that those Common Shares is subject to the approval of the Exchange and such approval may not be received until the closing of the COB Transaction;
- (c) incurring \$100,000 of exploration expenditures on the property on or before the second anniversary of the closing of the COB Transaction, and issuing to Mike Leahy 50,000 Common Shares once such \$100,000 of Exploration Expenditures have been incurred; and
- (d) incurring \$150,000 of exploration expenditures on the Property on or before the fourth anniversary of the Closing Date.

The Company intends to use its working capital to make the cash payments required under the terms of the Agreement.

The Common Shares issuable to the Optionor under the Agreement will be deemed to be issued at a price equal to \$0.19 per Common Share, being the price of the Common Shares on the Exchange on March 19, 2020. These Common Shares will be subject to a hold period expiring on the date that is four months and one day after the distribution date.

During the term of the Option, the Company will have the exclusive right to manage and operate all work programs carried out on the Property in its sole discretion. The Company will also be responsible for maintaining the Property in good standing through such time. The Optionor will have the right to access the Property and all data, reports and other information generated by the Company with respect to the Property during the period that the Option is outstanding.

Upon satisfaction of the payments, share issuances and work commitments above, the Option will be deemed to be exercised and a 100% undivided interest in the Property will be transferred to the Company, free and clear of all encumbrances, subject to a 2% net smelter return royalty (the “NSR”) in favour of the Optionor with respect to production of all minerals and ores mined and removed from the Property. The NSR will be payable following commencement of commercial production on the Property. The Company may buy-back 1% of the NSR in consideration for payment of \$1,000,000 to the Optionor.

### **Conditions of Closing**

The completion of the COB Transaction is subject to a number of conditions, including Exchange approval, obtaining all necessary third party consents including shareholder approval, the representations and warranties of the Optionor in the Agreement being true at Closing, and the Property satisfying the Exchange’s Initial Listing Requirements as a Mining Issuer (pursuant to Policy 2.1 – *Initial Listing Requirements* of the Exchange), including, without limitation, the public float requirements.

The Company expects that upon completion of the COB Transaction, it will be an exploration stage company with no producing properties and, consequently, no current operating income, cash flow or revenues. There is no assurance that a commercially viable mineral deposit exists on the Property.

### **Arm’s Length Transaction**

The Transaction will be carried out by parties dealing at arm’s length to one another and no non-arm’s length parties of the Company have any direct or indirect interest in the Property.

### **Sponsorship**

Sponsorship of the COB Transaction is required by the Exchange unless an exemption or waiver from sponsorship requirement is available. The Company is currently reviewing the requirements for and may apply for an exemption from the sponsorship requirements pursuant to the policies of the Exchange. The Company intends to include any additional information regarding sponsorship in a subsequent press release.

### **Shareholder Approval**

Prior to the completion of the COB Transaction, the Company will call a meeting of its shareholders for the purpose of approving, among other matters:

- (a) a change of name of the Company, as acceptable to the applicable regulatory authorities, effective upon closing of the COB Transaction;
- (b) reconstitution of the Company’s board of directors, as applicable; and
- (c) if required by governing regulatory bodies, the approval of the COB Transaction.

### **Trading Halt**

Trading in the shares of the Company is presently halted. It is uncertain whether the shares of the Company will resume trading until the COB Transaction is completed and approved by the Exchange.

## **Pre-Closing Capitalization of the Company**

As of the date hereof, the Company's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preference shares, issuable in series, of which 35,418,912 Common Shares and no preference shares are issued and outstanding.

## **Board of Directors and Management**

The Company will confirm the expected members of the Board of Directors and management of the Company upon completion of the COB Transaction, in a subsequent press release.

## **Name Change**

The Company intends to seek the requisite shareholder approval to change the name of the Company. Any such name change is subject to applicable Exchange and other regulatory approvals.

## **Further Information**

The Company will issue additional press releases related to the final structure of the COB Transaction, financing terms (if applicable), sponsorship, the names and background of insiders and proposed management and directors of the Company upon completion of the COB Transaction and other material information as it becomes available.

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

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

## **ABOUT THE COMPANY**

The Company owns proprietary technologies and is listed on the TSX Venture Exchange.

### **For further information please contact:**

**Brian Hinchcliffe, CEO**

Phone: +1-914-815-2773

Email: [investor@interbit.io](mailto:investor@interbit.io)

Website: [www.interbit.io](http://www.interbit.io)

***The Exchange has in no way passed upon the merits of the COB Transaction and has neither approved nor disapproved the contents of this news release. Neither the Exchange nor its Regulation Services Provider (as that term is defined in policies of the Exchange) accepts responsibility for the adequacy or accuracy of this news release.***

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

*Certain statements in this release are forward-looking statements, which include, completion of the proposed COB Transaction, receipt of requisite approvals for the COB Transaction, receipt of requisite approvals for a name change for the Company, that the Company will acquire the Property free and clear of all encumbrances (subject to the NSR), that the Company will be able to satisfy its payment obligations with respect to the Property, the ability to successfully monetize the current intellectual property of the Company, and other information concerning the intentions, plans and future action of the Company*

*described herein, and other matters. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such information can generally be identified by the use of forwarding-looking wording such as “may”, “expect”, “estimate”, “anticipate”, “intend”, “believe” and “continue” or the negative thereof or similar variations. Readers are 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 based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, estimates, forecasts, projections and other forward-looking statements will not occur. These assumptions, risks and uncertainties include, among other things, the state of the economy in general and capital markets in particular, that the Exchange may not accept the COB Transaction for any reason whatsoever, the inability to obtain approval of any third parties or shareholders, as required to complete the COB Transaction; the inability of the Property to satisfy Initial Listing Requirements (as defined in Exchange Policy 1.1, as well as those risk factors discussed or referred to in the Company's annual Management's Discussion and Analysis for the year ended December 31, 2019 available at [www.sedar.com](http://www.sedar.com), many of which are beyond the control of the Company. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.*

*The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.*

***Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***