

North Peak Signs Letter of Intent to Acquire Prospect Mountain Mine Complex in Silver-Gold-Lead District of Eureka, Nevada

www.northpeakresources.com

TSX Venture: NPR

CALGARY, AB, April 10, 2023 /CNW/ - **North Peak Resources Ltd.** (TSXV: NPR) (the "**Company**" or "**North Peak**") announces execution of a non-binding letter of intent (the "**LOI**") dated March 8, 2023 with Solarljós LLC and Gullsil LLC of Nevada (the "**Erickson Entities**") for the acquisition of the Prospect Mountain Mine complex in the Eureka district of Nevada (the "**Acquisition**"). The Acquisition involves the issuance of 8 million common shares of the Company in two phases - an initial tranche of 5 million shares to acquire an 80% interest in the property, and at the Company's discretion, an additional 3 million shares to acquire the remaining 20% interest. Described below are additional economic considerations to the Acquisition, which would be an arm's length transaction.

"The dual gold and base metal geologic systems and historic mining at the Prospect Mountain Mine complex offers the possibility of finding the high-grade mineralization and reserves that would be required for profitable surface or underground mining given today's capex and opex costs," said Brian Hinchcliffe, North Peak's CEO. "As the long-time owners of Prospect Mountain through the Erickson Entities, Ty Erickson and Ari Erickson were seeking a group experienced in re-vitalizing former mining complexes with modern exploration and we look forward to executing precisely those programs in the exciting Eureka district."

The Prospect Mountain Mine complex is over 1,700 acres of high elevation lands with an underground infrastructure consisting of 4 shaft complexes and some 11 miles of tunnels where mining operations date back to 1872. The property's historic production areas sit on the western side of the Jackson fault and are approximately 3 km's south of the Ruby Hill Mine complex. Recorded historic production from the Prospect Ridge group of mines (which includes the Prospect Mountain Mine complex) through to 1956 was over 100,000 tons with some shipments averaging approximately 2.8 oz per ton gold, 56 oz per ton silver and 13% lead (source: *The Eureka Mining District, Nevada, Geological Survey Professional Paper 406, 1962* by Thomas B. Nolan, page 68).

The Acquisition

The LOI outlines how the Company and the Erickson Entities will work exclusively towards the execution of a binding, definitive agreement in respect of the Acquisition and sets out a strategy by which the Acquisition has been de-risked to the greatest extent possible for both parties, as it is proposed that both the Company and the Erickson Entities will have certain return and reversion rights (see below for further information).

The LOI gives the parties until June 6, 2023 to complete due diligence, determine the final structure of the Acquisition (based on advice from legal, tax and professional advisors and in accordance with applicable corporate, tax and securities laws) and to enter into a binding, definitive agreement.

It is proposed that the following consideration be paid by the Company in connection with the Acquisition:

- 8 million common shares of the Company issued to the Erickson Entities (the "**Consideration Shares**"), to be issued in two tranches;

- cash payments of US\$385,000 in total per year, for each of the first three (3) years following completion of the Acquisition;
- the issuance of 340,000 common share purchase warrants to those persons designated by the Erickson Entities, which such warrants to be issued and priced in accordance with the Policies of the TSX Venture Exchange; and
- a 1% NSR royalty on production from the Prospect Mountain Mine complex.

The Erickson Entities will be entitled to nominate one director to the Board of Directors of the Company at the closing of the Acquisition.

It is also proposed that the Company undertake a commitment to use commercially reasonable efforts to complete a minimum three (3) year exploration program at the Prospect Mountain Mine complex where expenditures will total no less than US\$1 million per year (the "**Exploration Programs**").

In addition, it is proposed that the Erickson Entities will have a right of reversion in the event the Exploration Programs are not completed within the agreed deadlines, which if exercised would result in the return of the Prospect Mountain Mine complex and related assets to the Erickson Entities, who would in turn return the Consideration Shares issued to that time, to the Company. Likewise, it is proposed that the Company would have the right to return its interest in the Prospect Mountain Mine complex to the Erickson Entities, with the Consideration Shares issued to that time being returned to the Company in such instance.

The structure of the Acquisition currently being contemplated is a joint venture structure where the Company acquires an initial 80% interest in the joint venture (and therefore the Prospect Mountain Mine complex) by issuing an initial tranche of 5 million Consideration Shares to the Erickson Entities and the Erickson Entities holding a carried 20% interest. In this structure, the Company would have three years to decide to acquire the carried 20% interest held by the Erickson Entities by issuing a second tranche of 3 million Consideration Shares to the Erickson Entities, the result of which being that 8 million Consideration Shares, in aggregate, will have been issued to the Erickson Entities pursuant to the terms of the Acquisition.

The Acquisition would be subject to TSX Venture Exchange approval.

Mr. Mike Sutton, P.Geo., a director of the Company, is the Qualified Person, as defined under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, who reviewed and approved scientific and technical disclosure in this news release. The Qualified Person has not reviewed the mineral tenure, nor independently verified the legal status and ownership of the Prospect Mountain Mine complex or any underlying property agreements.

Investors are cautioned that there can be no assurance that the parties to the LOI will come to agreement and execute a binding, definitive agreement or that the Acquisition will be completed as proposed, or at all. In addition, the Company can give no assurances at this time that the Prospect Mountain Mine complex will contain the high-grade mineralization and reserves that would be required for any profitable surface or underground mining or will fulfil the Company's business development goals described herein. Trading in the securities of the Company should be considered highly speculative.

The Company will issue additional press releases related to execution of definitive documentation in respect of the Acquisition and other material information as it becomes available.

About North Peak

The Company is a Canadian based gold exploration and development company that is listed on the TSX Venture Exchange under the symbol "NPR". The Company is focused on acquiring historic sites, with low cost producing gold and other metals properties, with near term production potential and 8+ year mine life in the northern hemisphere.

Website: www.northpeakresources.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS: *This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to those that address the ability of the parties to the LOI come to definitive terms and negotiate and execution of definitive documentation in respect of the Acquisition, the structure of the Acquisition, the ability to receive applicable approvals from the TSX Venture Exchange and applicable governmental authorities for the Acquisition, the ability to complete the Exploration Programs as proposed and on the timelines suggested, estimates of mineralization from drilling and the potential for minerals and/or mineral resources and reserves, and regarding the plans, intentions, beliefs, and current expectations of the Prospect Mountain Mine complex and the Company, including with respect to the future business activities and operating performance of the Company that may be described herein. 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, accuracy of assay results, geological interpretations from drilling results, timing and amount of capital expenditures; performance of available laboratory and other related services, future operating costs, and the historical basis for current estimates of potential quantities and grades of target zones, as well as those risk factors discussed or referred to in the Company's Management's Discussion and Analysis for the year ended December 31, 2021, and the period ended September 30, 2022 available at 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.

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For further information: Please contact: Brian Hinchcliffe, CEO, Phone: +1-647-424-2305, Email: info@northpeakresources.com, Website: www.northpeakresources.com; Chelsea Hayes, Director, Phone: +1-647-424-2305, Email: info@northpeakresources.com

CO: North Peak Resources Ltd.

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