

North Peak Signs Definitive Agreement for Option to Acquire Black Horse Gold and Silver Property, White Pine, Nevada and Receives Conditional Acceptance from TSX Venture Exchange

CALGARY, AB, Dec. 6, 2021 /CNW/ - **North Peak Resources Ltd.** (TSXV: NPR) (the "**Company**" or "**North Peak**") announces it has signed a binding definitive agreement (the "**Agreement**") with Minex LLC ("**Minex**") dated December 6, 2021 for the option (the "**Option**") to acquire the 2,733 acre Black Horse gold and silver property (the "**Property**") located 50 miles east of Ely within the Black Horse mining district in White Pine County Nevada (the "**Transaction**"). Similar to the history of other Nevada gold mining districts, the Black Horse area was mined for gold in the early 1900's and then intermittently in the post WW2 period. Minex acquired the 136 unpatented lode claims that constitute the Property beginning in 1998 and via drilling campaigns in 1998-1999 drilled 300 plus holes that identified a mineralization zone that appears to have a strike length of two miles with drilling generally at 100-foot centers. A historical resource of gold and silver for the Property was outlined in a November 2016 technical report for Minex and is described below.

"Since mid-October, North Peak has organized a dynamic local team and sourced the drilling and other contractors for the proposed early 2022 work programs to confirm the low-cost gold potential of the Black Horse property, for the Company's shareholders," said Brian Hinchcliffe, Executive Chairman and CEO of the Company. "Parallel to this exploration and operational push, will be the exciting opportunity of bringing modern exploration technology to a region where multiple mines have produced high grade gold at times over the last plus 100 years."

Minex is owned and controlled by Gary Grauberger, who over his 55-year career as an exploration geologist has 10 significant gold/silver discoveries to his credit. To date, the total production from the deposits he has personally discovered or recommended for acquisition exceeds 90,000,000 ounces of gold and 50,000,000 ounces of silver.

"I am pleased to enter into this agreement and look forward to working with Brian Hinchcliffe and North Peak's exceptional team of technical, development, and financial personnel to further explore and develop the Black Horse property," said Mr. Grauberger. "Furthermore, I am excited to work with North Peak going forward in identifying other gold/silver opportunities in the Western United States."

The Company also reports that it has received conditional acceptance from the TSX Venture Exchange (the "**Exchange**") in respect of the Transaction and is working diligently to obtain final approval from the Exchange.

Black Horse Property

- **Historic resources** - Historical inferred mineral resource estimates of 350,000 troy ounces of gold with a grade of 1.2 grams gold or 0.045 oz (using a base case cut off of 0.005 opt Au), plus 1,140 million oz of silver at 0.14 ounce per ton, was prepared for Minex in a technical report dated effective November 18, 2016 by Scott E. Wilson, C.P.G. (the "**Technical Report**"). A Qualified Person has not done sufficient work for the Company to classify these

historical estimates as a current mineral resource or mineral reserve. The Company is not treating these historical estimates as current mineral resources or mineral reserves and has not verified the historical resource estimates. While the Technical Report was prepared according to the guidelines of the CSA's National Instrument 43-101, the reader is cautioned that the data used in the preparation of the historical resource estimates does not meet the current standards of exploration quality assurance and quality control protocols and significant additional drilling (including diamond drilling, some which will twin earlier holes), data verification (quality control), would be required to ensure the quality of historic data meets current standards for use in a resource estimate. Further information in respect of these historical resource estimates is set forth below.*

Historic Metallurgical work – Historic but preliminary metallurgical work consisting of bottle roll cyanide tests on 12 oxide drill cutting composites and 4 surface sample composites returned an average recovery of 97% for gold and 73% for silver at minus 100 mesh in 48 hours.

- **Black Horse geology** – Approximately 65% of the gold mineralization occurs in hydrothermally altered and micro-veined quartzite inter-layered beds of mica schist in the Pre-Cambrian McCoy Creek group. Most of the gold mineralization in the quartzite appears to be stratiform and varies from 20-100 feet in thickness. Gold grades range from below detection to 1.4 ounce per ton over ten-foot drill assay intervals (see below for further information). A major thrust structure is present-representing the conduit for gold fluids. The Cambrian Lincoln Peak limestone overlies the Precambrian McCoy Creek group and is in the thrust fault contact with the Precambrian McCoy Creek group.
- **Two distinct areas of development** – The Property has two (2) distinct areas to focus on, known as Area A and Area B. The Technical Report and its historic estimate of gold and silver resources refer only to data from Area A and is the oxide portion of that Area A.

Gold was originally produced from the Property around 1906 and the district saw intermittent historic small-scale mining between 1905 and 1998. Recent exploration activities by previous operators included mapping, sampling, geophysical surveys and drilling, culminating in the historical resource estimate referenced above. Gold mining began in the Black Horse district around 1905 and the largest orebodies mined were veins along faults and replacement deposits in limestone. Minex was the first company to undertake a comprehensive exploration campaign and gold grades from the 1998-1999 drilling programs ranged from below detection to 1.4 ounce per ton over 10-foot drill hole assay intervals. Some of the better intersections on the Property, include 0.24 ounces per ton (oz/t) over 90 feet (hole 230), 0.25 oz/t over 30 feet (hole 182) and 0.28 oz/t over 30 feet (hole 89). A Qualified Person has not done sufficient work for the Company to corroborate these historical drill intersections.

Transaction and Agreement

In accordance with the Agreement, the Option gives the Company the right acquire up to 100% of the right, title and interest in the Property. An initial payment to Minex of a combination of US\$1 million in cash and 1,250,000 common shares of the Company once final approvals in respect of the Transaction are obtained from the Exchange (by no later than January 7, 2022), will initiate the Option.

Thereafter, the Option is exercisable by the Company in two phases:

- First 50% - the Company will acquire right, title and interest in and to 50% of the Property, by making a US\$10 million cash payment within 18 months of the initiation of the Option (the "**First Payment**") and a second US\$10 million cash payment within 12 months of the First Payment.
- Remaining 50% - the Company will acquire right, title and interest in and to the remaining 50% of the Property by obtaining material permits required for construction and operation of a mine on the Property, including a Record of Decision from the Bureau of Land Management for a Plan of Operations, and as required from the State of Nevada, an Air Quality Operating Permit, a Water Pollution Control Permit and a State Groundwater Permit. The Company has five (5)

years from the date it acquires the first 50% in the Property, to acquire these permits. Should the Company not acquire those permits by such deadline or make the decision not to proceed with obtaining such permits, the initial 50% in the Property acquired by the Company will revert to Minex.

The Agreement provides a structure by which the Company and Minex will work collaboratively in respect of the exploration of the Property while the Option is in place, but the Company will act as manager of the Property during this time and will ultimately be responsible for all costs and will make all final decisions regarding the exploration of, and operations over, the Property during such time.

Should the Company exercise the Option and acquire 100% of the right, title and interest in the Property, then the following production royalties will be payable to Minex:

- US\$50 for every ounce of gold production for the first 400,000 ounces of gold production from the Property;
- 2% NSR for any gold production after the first 400,000 ounces of gold production from the Property; and
- 2% NSR for any silver production from the Property.

The other terms of the Agreement include representations and warranties and conditions that are customarily seen in option agreements such as the Agreement.

The Company and Minex are at arm's length, the Exchange has not imposed sponsorship requirements in its conditional acceptance of the Transaction and it is not expected that the Exchange will require shareholder approval as part of its final approval of the Transaction. No finder's fees are payable by the Company in connection with the Transaction. The Company will issue additional press releases related to the final approvals from the Exchange for the Transaction and other material information as it becomes available.

Mr. Mike Sutton, P.Geo., a Director of the Company, is the Qualified Person who reviewed and approved this news release. The Qualified Person has not reviewed the mineral tenure, nor independently verified the legal status and ownership of the Property or any underlying property agreements.

* In respect of the historical mineral resource estimates referenced above grade shells were interpreted and constructed and the estimates used inverse distance techniques in Vulcan software by the author of the Technical Report. The resource estimates were prepared in conformity with generally accepted CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines". No top cut was used, as it was shown not to be necessary. To demonstrate the reasonable prospects of eventual economic extraction these historical mineral resources estimates have been pit constrained. Whittle™ was used to identify the portion of mineralization that could support production from open pit mining. It was assumed that gold and silver would be recovered using crushing followed by heap leaching of mineralized material. Typical production costs found throughout Nevada were used as assumptions. The estimates were based on a gold selling price of US\$1,000/oz, mining cost of US\$2.00/ton, crushing and leaching costs of US\$4.00/ton, gold recovery of 80% and a pit slope of 50 degrees. The base case mineral resource estimates are highlighted at 0.005 opt gold; oxide ore bottle roll results indicated that 80-85% recovery for gold and 50-60% recovery for silver are probable on a conventional heap leach at minus 1 inch feed, which need to be confirmed by cyanide column leach tests on diamond drill-hole samples collected from different areas of both deposits. The Technical Report recommended a drill program of 30 drill holes averaging around 275 feet. No economic analysis was evaluated for the project.

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".

Investors are cautioned that there can be no assurance that the Transaction will be completed as proposed, or at all. Trading in the securities of the Company should be considered highly speculative.

The Exchange has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news release.

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 the ability to receive final approvals from the TSX Venture Exchange, the abilities of the parties to complete the Transaction, estimates of mineralization from drilling, geological information projected from sampling results and the potential quantities and grades of the target zones, potential for minerals and/or mineral resources, and statements regarding the plans, intentions, beliefs, and current expectations of the Company with respect to timing of exploration programs on the Property and 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, 2020, and the period ended September 30, 2021 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.

CAUTIONARY NOTE REGARDING MINERAL RESOURCES: *Mineral resources are not mineral reserves and do not demonstrate economic viability. There is no certainty that all or any part of the mineral resource will be converted to mineral reserves.*


CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING HISTORICAL RESOURCE

ESTIMATE: *This news release has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ in certain material respects from the disclosure requirements promulgated by the Securities and Exchange Commission (the "SEC"). For example,*

the term "inferred mineral resource" is a Canadian mining term as defined in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in the disclosure requirements promulgated by the SEC. Accordingly, information contained in this presentation may not be comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

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.

SOURCE North Peak Resources Ltd.

 View original content to download multimedia:

<http://www.newswire.ca/en/releases/archive/December2021/06/c4656.html>

%SEDAR: 00032415E

For further information: 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.

CNW 09:27e 06-DEC-21