

Sulliden Mining Capital Inc. to Acquire Coastal Gold Corp.

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TORONTO, ONTARIO -- (Marketwired - Mar 2, 2015) - [Coastal Gold Corp.](#) (TSX VENTURE:COD) (FRANKFURT:CY41) ("Coastal Gold" or the "Company") and [Sulliden Mining Capital Inc.](#) (SX:SMC) ("Sulliden") have signed a definitive arrangement agreement dated March 2, 2015 (the "Agreement") pursuant to which Sulliden will acquire all of the issued and outstanding common shares of Coastal Gold by way of a plan of arrangement under the Business Corporations Act (Ontario) (the "Transaction").

Under the terms of the Transaction, Sulliden will acquire each outstanding Coastal Gold common share for 0.05 of a Sulliden share (the "Exchange Ratio"). The Exchange Ratio represents \$0.0166 per Coastal Gold common share, based on Sulliden's 60-trading day volume weighted average price ("VWAP") of \$0.33. The implied transaction value is approximately \$4.06 million, including the assumption of C\$1.25 million in debt. Upon completion of the Transaction, Coastal Gold will be a wholly-owned subsidiary of Sulliden. The directors of each company have unanimously approved the Transaction.

Highlights of the Transaction

- Building on Coastal Gold's recently released high grade underground mineral resource, Sulliden is well financed and brings a strong capital markets and engineering team to move the Hope Brook Gold Project forward to production.
- Coastal Gold shareholders are receiving a fair price and will be able to participate in the upside of Hope Brook through their ownership of Sulliden which is substantially undervalued in comparison to their net asset value.
- The Hope Brook geological and exploration team led by Dr. Bill Pearson will be integrated into the Sulliden team to further enhance the new Hope Brook team.
- Sulliden will assume Coastal Gold's \$1.25 million debt, implying a transaction value of \$4.06 million.

Dr. Bill Pearson, President and CEO of Coastal Gold, commented, "We are very pleased with the Sulliden agreement, which will provide the necessary funding as well as access to strong corporate and engineering teams to move the Hope Brook Gold project forward. Coastal Gold shareholders are receiving fair value and will be able to participate in the upside of Hope Brook through their Sulliden shares. I look forward to working with the Sulliden team to advance Hope Brook and to realize the full exploration potential of this extensive but underexplored gold mineralized system."

Peter Tagliamonte, P.Eng., Director and former Chairman of Sulliden Gold Corporation, commented, "This acquisition represents a great opportunity for the shareholders of both Sulliden and Coastal Gold. By leveraging the exploration success of Coastal Gold's excellent geological team, and Sulliden's strong technical and engineering team, we feel that the Hope Brook Gold Project can quickly be advanced to a production decision stage. Our intention will be to immediately advance the engineering side of the Hope Brook Gold Project."

Justin Reid, President and CEO of Sulliden, commented, "For many months our team has been actively evaluating and visiting global mining projects. Hope Brook proved to be the most accretive for Sulliden. The project met all our criteria with its mining-friendly jurisdiction, its stage of development and the excellent mineral growth potential. With our financial resources and the focus of a proven team, we believe that the fast-track development of this project will generate tangible short and long term value for our shareholders."

Transaction Details

Pursuant to the terms of the Agreement, the Transaction will be conducted by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario), resulting in Coastal becoming a wholly-owned subsidiary of Sulliden. Each Coastal Gold Common Share issued and outstanding immediately prior to closing of the Transaction will be exchanged for 0.05 of a Sulliden common share.

All options of Coastal outstanding immediately prior to closing of the Transaction will, following closing and

subject to regulatory approval, be exercisable for that number of shares of Sulliden using the same exchange ratio applicable to the Coastal Gold Common Shares under the Transaction, with corresponding adjustment to the exercise prices on the basis of such exchange ratio.

On February 28, 2015, Sulliden and Coastal Gold entered into a loan agreement whereby Sulliden made available to Coastal Gold up to \$150,000 (the "Loan"). The Loan will accrue interest at the rate of 10% per annum and mature on the earlier of the completion of the Transaction and the date that is six months following the termination of the Agreement (the "Maturity Date"). In the event of the termination of the Agreement, Coastal will be required to repay the Loan and all interest accrued on or before the Maturity Date. Pursuant to the terms of the Loan, Sulliden has the right at any time on or prior to the date on which the Loan is repaid to convert the outstanding principal amount of the Loan together with all accrued and unpaid interest thereon (the "Exchange Amount") into Coastal Gold Common Shares at a price (the "Exchange Price") per common share equal to: (a) in the case of the principal amount, \$0.05 per share; and (b) in the case of accrued and unpaid interest, subject to TSX Venture Exchange approval at the time of settlement, the Market Price (as defined in the policies of the TSX Venture Exchange) of the Coastal Gold Common Shares).

The directors, senior officers and a principal shareholder of Coastal Gold have entered into support agreements pursuant to which they have agreed to vote in favor of the Transaction. Certain officers of Coastal Gold are contractually entitled to severance payments that could be triggered by the Transaction, however each such officer has waived in full his or her severance payments.

The Transaction is subject to customary conditions, including:

- Approval by a minimum of 66 2/3% of the votes cast by Coastal Gold shareholders represented in person or by proxy at a special meeting of shareholders, as well as approval by a majority vote that will exclude the votes of certain related parties of the company as required by Multilateral Instrument 61-101 - *Protection of Minority Shareholders in Special Transactions*, the details of which will be contained in the information circular to be provided to shareholders of Coastal Gold in connection with the special meeting;
- Approval/acceptance of the TSXV of the Transaction;
- All of the directors and officers of Coastal Gold agreeing to support the Transaction by entering into agreements to vote in favour of the Transaction;
- Coastal Gold shareholders holding collectively not more than five per cent of the outstanding common shares of Coastal Gold having exercised their dissent rights.

The Agreement includes a commitment by Coastal Gold not to solicit alternative transactions to the proposed Transaction. The Agreement provides that if Coastal Gold terminates the Transaction in certain circumstances it is obligated to pay to Sulliden \$250,000 on account of costs and expenses in connection with the Transaction. Each party has also been provided with certain other rights, representations and warranties and covenants customary for a transaction of this nature, and Sulliden has the right to match any competing offers made to Coastal Gold.

Coastal shareholders will be granted dissent rights which, if exercised in accordance with applicable requirements, will provide such shareholders the right to be paid the fair value for their Coastal common shares by Coastal.

Timing

The terms of the Agreement will be described in detail in the management information circular of Coastal to be filed with the regulatory authorities and mailed to Coastal shareholders in accordance with applicable securities laws in respect of a special meeting of Coastal shareholders, currently scheduled to be held in April 2015. Subject to shareholder, court and regulatory approvals, the Transaction is expected to close by the end of April 2015.

Upon completion of the Transaction, the existing management team and board of directors of Sulliden will continue to manage and direct Sulliden. For additional information regarding Sulliden's management team and board of directors please refer to Sulliden's company profile of SEDAR at www.sedar.com and the documents filed thereunder.

Recommendation of Boards of Directors

The board of directors of each of Coastal and Sulliden unanimously support the proposed Transaction. The

board of directors of Coastal established a special committee to review the Transaction and retained Ross Glanville & Associates Ltd. ("Glanville") and Bruce McKnight Minerals Advisor Services ("McKnight") to prepare a fairness opinion. The special committee of Coastal Gold has received the fairness opinion from Glanville and McKnight that states that the consideration to be received by the Coastal shareholders is fair, from a financial point of view, to the Coastal Gold shareholders. Based on the fairness opinion, the board of directors of Coastal Gold recommends that the Coastal Gold shareholders vote in favour of the Transaction at the shareholder meeting to be held to approve the Transaction. The reasons for the board of directors' recommendation will be detailed in the aforementioned management information circular.

Qualified Person

Dr. Bill Pearson, P.Geo., President & CEO of Coastal Gold, a Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), has reviewed and approved the scientific and technical content of this news release.

ABOUT COASTAL GOLD

Coastal Gold is a Canadian mineral exploration company listed on the TSX Venture Exchange under the symbol "COD". Coastal Gold's flagship property is the Hope Brook Gold Project located in southwestern Newfoundland. Coastal Gold has recently announced a newly defined high grade underground mineral resource of 5,500,000 tonnes grading 4.77 g Au/t containing 844,000 ounces gold in the indicated category and 836,000 tonnes grading 4.11 g Au/t containing 110,000 ounces gold in the inferred category. In addition, Coastal Gold also has inferred mineral resources in tailings of 4.9 million tonnes at 0.85 g Au/t and 0.09% copper containing 134,500 ounces of gold and 9.5 million pounds of copper. For further details on the high grade mineral resource please see the Technical Report authored by Michael Cullen, P. Geo. (an independent qualified person as defined by NI 43-101) and titled Mineral Resource Estimate Technical Report Hope Brook Gold Project dated January 12, 2015.

ABOUT SULLIDEN MINING CAPITAL

[Sulliden Mining Capital Inc.](#) is a Canadian reporting issuer incorporated under the Business Corporations Act (Ontario) and operates as a venture capital company focused on investments, acquisitions and the development of brownfield, development-stage and early production-stage mining projects in the Americas. The head and registered office of Sulliden is located at 65 Queen Street West, Suite 815, Toronto, Ontario M5H 2M5. For additional information please see Sulliden's company profile which is available on SEDAR at [www.sedar.com](#).

Cautionary Note Regarding Forward-looking Information

This press release contains statements which may constitute "forward-looking statements" or "forward-looking information" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements regarding the estimation of mineral resources, the procedures surrounding the Transaction, the ability of the Company and Sulliden to complete the pre-closing obligations set out in the Agreement and the benefits arising from the Transaction, the recommendation of the Company's board, the timetable of the Transaction, the exploration and development potential and timetable of the Hope Brook Gold Project and the properties of the combined company. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects", "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are subject to both known and unknown risks, many of which are beyond the control of the Company, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; future prices of mineral prices; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and shortages and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The

Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Completion of the Transaction is subject to a number of conditions, including TSX Venture Exchange acceptance and disinterested shareholder approval. 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 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 Coastal Gold should be considered highly speculative.

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

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES 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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