

Coastal Gold Provides Update on Transaction With Sulliden

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TORONTO, ONTARIO -- (Marketwired - Apr 29, 2015) - [Coastal Gold Corp.](#) (TSX VENTURE:COD)(FRANKFURT:CY41) ("Coastal Gold" or the "Corporation") announces that it has received a revised binding offer (the "Revised Sulliden Offer") from Sulliden Capital Mining Inc. ("Sulliden") to acquire all of the outstanding common shares of Coastal Gold (the "Coastal Gold Common Shares") by way of a plan of arrangement under the *Business Corporations Act* (Ontario) (the "Sulliden Transaction").

Under the terms of the Revised Sulliden Offer, Sulliden will acquire each outstanding Coastal Gold Common Share for 0.05 of a Sulliden common share and a cash payment of \$0.01 per Coastal Gold Common Share. For additional details regarding Sulliden and the Sulliden Transaction please see Coastal Gold's press release dated March 2, 2015 which is available under Coastal Gold's profile on SEDAR at www.sedar.com.

In light of the Revised Sulliden Offer, the special committee (the "Special Committee") of the board of directors of the Corporation (the "Board") has reviewed the Revised Sulliden Offer and the unsolicited offer (the "FMF Offer") received from [First Mining Finance Corp.](#) ("FMF") on April 27, 2015 and, after consulting with its independent financial and legal advisors, has unanimously determined that the FMF Offer is not a "Superior Proposal" as such term is defined in the arrangement agreement dated March 1, 2015 (the "Arrangement Agreement") entered into between the Corporation and Sulliden.

The Board, on the recommendation of the Special Committee, has unanimously reaffirmed its recommendation that Coastal Gold shareholders vote in favor of the Sulliden Transaction, and has not withdrawn, modified, withheld, changed or qualified its recommendation with respect to the Sulliden Transaction pursuant to the Arrangement Agreement, as amended by the Revised Sulliden Offer.

Certain highlights of the Revised Sulliden Offer are as follows:

- Shareholders of Coastal Gold will receive a \$0.01 cash per share payment in addition to the 0.05 of a Sulliden common share in exchange for each Coastal Gold common share.
- Sulliden's post transaction cash balance, which is estimated to be above \$10 million, will place the resulting company in a position to continue to advance the Hope Brook Gold Project without the resulting company being required to raise additional capital diluting the shareholders of Coastal Gold.
- Sulliden has agreed to commence a preliminary economic assessment ("PEA") immediately upon the Effective Date (as such term is defined in the Arrangement Agreement). The initiation of the PEA is not subject to completing any additional drilling on the Hope Brook Gold Project. Upon completion of a positive PEA, Sulliden shall use commercially reasonable efforts, and will allocate an appropriate budget, to commence the next appropriate level of feasibility study and commence the environmental permitting process on the Hope Brook Gold Project. The loan agreement dated March 1, 2015, between Coastal Gold, as borrower and Sulliden, as lender in the amount of \$150,000 was amended so that in the event the Sulliden Transaction is not completed and the Arrangement Agreement is not terminated by Coastal Gold, Coastal Gold shall have the option at any time following 6 months from the date hereof to repay in full all of the principal amount of the loan outstanding together with all accrued and unpaid interest thereon by issuing Coastal Gold Common Shares at a price equal to \$0.05 per share, to cover the principal amount, and in the case of accrued and unpaid interest, the price per common share to be issued will be subject to TSX-V approval. The amendment to the loan remains subject to TSX-V approval.

Other considerations involved in accepting the Revised Sulliden Offer are:

- Based on publicly available information, following the payment of transaction expenses associated with the FMF Offer and associated transaction, payment of a break fee, change of control and severance costs and repayment of existing debt. In the opinion of the board, FMF would be required to raise additional funds in the short term in order to advance the Hope Brook Gold Project and expose shareholders of Coastal Gold to further dilution.

- Although on a post transaction basis shareholders of Coastal Gold would own approximately 22% of the shares of FMF and approximately 19% of Sulliden, the Sulliden share structure appears more attractive for the shareholders of Coastal Gold as Sulliden currently has about 50% less shares outstanding than FMF and as discussed above, the 19% resulting ownership of Sulliden is likely to be less exposed to dilution.
- FMF is a newly listed issuer. As a result, current trading volumes may not be sustained in the future. Additionally, upon review of similar resource company shells without hard assets like FMF and Sulliden, typically trade at or below their cash level. FMF currently trades at a significant multiple to their cash and comparable companies identified trade at a discount.
- In addition, FMF currently has securities outstanding that remain subject to a four month statutory hold period, which upon expiry, could put substantial selling pressure on the FMF stock once such shares become freely traded.

The Board cautions that there can be no assurance that the Sulliden Transaction contemplated by the Arrangement Agreement, as amended by the Sulliden Offer, will be approved by shareholders of Coastal Gold or consummated.

Special Meeting of Shareholders

Coastal Gold would like to remind its shareholders of the Special Meeting scheduled to be held on May 6, 2015, at 10:00 am. The meeting will be held at 65 Queen Street West, 8th Floor, Toronto, Ontario. The purpose of the meeting is to approve a Special Resolution to approve the plan of arrangement between Coastal Gold and Sulliden Mining Capital as outlined in the press release of March 2, 2015.

Further information regarding the Special Meeting, instructions on voting, and related documents can be found at the Coastal Gold website at www.coastalgold.ca. All proxy forms and the related Management Circular can be found at www.sedar.com.

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.

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 Sulliden Transaction, the ability of the Corporation to complete the Sulliden Transaction, the determination of the Board and the Special Committee, the ability of the Corporation to complete the pre-closing obligations set out in the Arrangement Agreement and the benefits arising from the Sulliden Transaction and the exploration and development potential and timetable of the Hope Brook Gold Project. 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 Corporation, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation 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; negotiation 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 Corporation 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 Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Completion of the Sulliden Transaction is subject to a number of conditions, including TSX Venture Exchange acceptance. Additionally, the Sulliden 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 Sulliden 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 Sulliden Transaction and has neither approved nor disapproved the contents of this press release.

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