

RETRANSMISSION: Owl Capital Corp. Announces Proposed Gold-Focused Qualifying Transaction

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Vancouver, April 25, 2019 - [Owl Capital Corp.](#) (TSXV: OCC.P) ("Owl") is pleased to announce that it has entered into a term sheet dated April 10, 2019 (the "Agreement") with [Eros Resources Corp.](#) (TSXV: ERC) ("Eros") and Demerara Gold Corp. ("Demerara"), a private corporation, whereby Owl will acquire all of their rights, titles and interests in the Oro Cruz Property, located in Imperial County, California and the Eastgate Property, located in Churchill County, Nevada from Eros and Demerara, respectively, as well as a 5.58% undiluted equity interest in [Bullfrog Gold Corp.](#), an exploration stage company ("Bullfrog"), from Eros (the "Transaction").

Owl is a capital pool company ("CPC") and intends the Transaction to constitute a Qualifying Transaction pursuant to the TSX Venture Exchange (the "Exchange") Policy 2.4 - Capital Pool Companies. Upon successful completion of the Transaction, Owl will change its name to Southern Empire Resources Corp. and be a Tier 2 mining issuer.

About the Oro Cruz Gold Project

The Oro Cruz Property is located in Imperial County, southeast California, roughly 28 kilometres (18 miles) northwest of Yuma, Arizona. The Oro Cruz mine, situated on the property, is a historical gold producer within the Tumco mining district in the Cargo Muchacho Mountains, approximately 14 miles southeast of the operating Mesquite gold mine of Equinox Gold Corp. Adjacent to the Oro Cruz property are the past producing American Girl and Padre-Madre gold mines (see Figure 1). Gold mining at Oro Cruz (also known as Golden Cross) occurred during 1890-1916 and 1932-1941, producing greater than 150,000 ounces ("oz") gold ("Au"). Between 1995-1996, the Oro Cruz Property was mined for one year by MK Gold Company and produced approximately 61,000 oz gold from oxide ore extracted by both open-pit and underground mining operations before closing due to low gold prices. The property is currently comprised of a total of 250 Bureau of Land Management ("BLM") unpatented lode mining claims totaling roughly 2,018 hectares ("ha"; 4,990 acres) and 13 BLM unpatented placer mining claims totaling roughly 105 ha (260 acres). The original 20 lode claims are held under lease from a third party.

The Oro Cruz Property has a historical inferred resource estimate totaling 341,800 ounces gold based on 4,386,000 tonnes averaging 2.20 grams gold per tonne ("g Au/t") at a cutoff grade of 0.68 g Au/t (4,835,000 tons at 0.07 ounces gold per ton; "oz Au/ton"). This historical inferred resource estimate is disclosed in a technical report dated April 29, 2011 prepared for Lincoln Mining Corporation by Tetra Tech Inc. and is available on SEDAR. The historical mineral resource estimate, termed "inferred mineral resource", which is a category set out in NI 43-101, was based on previous drill hole, underground channel samples and blasthole assays, and calculated using ordinary kriging to estimate gold grades in 10 x 10 x 5 foot blocks. Accordingly, Owl considers this historical estimate reliable as well as relevant as it represents key targets for exploration work by Owl. The Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource and Owl is not treating this historical estimate as current mineral resources.

Gold mineralization remains exposed in the open-pit and in underground workings; it is hosted within a brown, iron oxidized (magnetite, hematite, limonite, goethite) and partially silica/ carbonate replacement band that is roughly concordant within gneiss and schist of the host Jurassic(?) Tumco Formation. Moderate, roughly concordant southeast dipping structures are also present. Sulphide minerals are largely absent with only trace pyrite and chalcopyrite (plus malachite-azurite) present. The mineralized zone is well-oxidized to beyond depths observed in the mine workings or reported in drill holes. Based on mining completed in the 1990's, the gold at Oro Cruz has been proven amenable to conventional heap leach recovery methods. Column cyanide leach metallurgical tests completed in 1990-91 for MK Gold on a 25.9 m (85 ft) core interval grading 1.39 g Au/t (0.039 oz Au/ton) taken from the west portion of the Oro Cruz deposit produced 75.0% gold recovery from minus 9 millimetre (3/4 inch) fine crush material.

There are multiple exploration targets on the Oro Cruz Property, notably to the southeast along the down dip extension of the known inferred resource where grades and thickness improve based on results from surface reverse circulation ("RC") drilling. The RC drill hole intercepts provided in Table 1 extend roughly 200 metres

southeast of the base of the underground workings, with hole OC-428 being one of the furthest southeast (see Figure 2). Drilling past hole OC-428 to the southeast is relatively restricted due to rugged and rising surface topography. See accompanying notes under Data Verification & Quality Assurance / Quality Control.

Grab samples collected at elevation 147 metres (485 feet) underground by Eros personnel in 2019 returned values of 1.385 g Au/t (0.040 oz Au/ton), 0.524 g Au/t (0.015 oz Au/ton) and 9.15 g Au/t (0.267 oz Au/ton). Grab samples are select rock samples that are not to be considered representative of the entire host geological unit.

To view an enhanced version of Table 1, please visit:
https://orders.newsfilecorp.com/files/6347/44298_table1.jpg

About the Eastgate Gold Project

The Eastgate Gold Project is located approximately 90 kilometres (55 miles) east of Fallon in Churchill County, Nevada. The property is comprised of 101 unpatented BLM lode mining claims covering roughly 817 ha (2,020 acres).

Eastgate features a well-developed hydrothermal gold-silver quartz vein system, and Owl's goal is to define a high-grade, low sulphidation epithermal gold-silver deposit. Multiple, steeply east dipping, north striking, sub-parallel quartz-adularia veins occur throughout the property. Between 1908-20 and 1935-57, a number of small-scale narrow vein, gold and silver producers operated on the property. These included the Double Eagle and Gold Ledge mines which reported production from 1935-57 of 3,247 oz gold and 38,152 oz silver.

The Eastgate Main vein has been traced for over 600 metres (2,000 feet). The area of the historical Double Eagle and Gold Ledge mines along the southern 335 metres (1,100 feet) is highlighted by numerous historical select surface grab samples, nineteen of which assayed above 8.0 g Au/t (0.233 oz Au/ton) to a high of 109.37 g Au/t (3.19 oz Au/ton). Grab samples are select rock samples and cannot be considered representative of the host geological unit.

Beginning in the late 1980's, a total of 4,397 metres (14,425 feet) of RC drilling in 21 holes were completed between 1987 and 1999 (see Figure 3). After Freeport-McMoRan Corp. (1987; 7 holes) and US Borax & Chemical Company (1988, 10 holes) unsuccessfully tested the property for bulk tonnage gold potential, the focus returned to testing for a high-grade, vein hosted deposit. Hole EG88-04, drilled by US Borax mid-way along strike of the Eastgate Main vein at roughly 150 metres beneath Golden Ledge mine site produced the best drill intercept to date on the property. This was followed up in 1989 by Cabot Resources that drilled a fence of 5 RC holes on the same section as EG88-04. In 1999, Echo Bay Mines Inc. drilled a fan of four holes beneath all previous intercepts along the Eastgate Main vein in an unsuccessful attempt to extend the mineralization to depth. Select holes from the historic drilling is provided in Table 2, below. See accompanying notes under Data Verification & Quality Assurance / Quality Control.

To view an enhanced version of Table 2, please visit:
https://orders.newsfilecorp.com/files/6347/44298_table2.jpg

Data Verification and Quality Assurance / Quality Control

RC drill hole data from the Oro Cruz Gold Project provided herein (Table 1) is considered legacy data developed by previous operators of the Oro Cruz Property prior to the introduction of NI 43-101; the application of Quality Assurance / Quality Control ("QA/QC") measures during collection of the historical data is unknown. Also, significant amount of the original data, including original RC drill hole chip tray samples and complete sets of drill logs, analytical certificates and other operational data were not retained by a previous operator of the site and are now considered lost.

The Oro Cruz deposit has an overall planar shape that dips relatively uniformly at -25o to azimuth 120o (Tetra Tech 2011). In general, true widths of the mineralization can vary between 40% and 100% of the reported intercepts due to varying drill hole orientations and localized irregularities in the geometry of the mineralization. As most holes drilled at Oro Cruz were vertical holes (-90o), true thickness is typically in the range of 80% to 90% of the reported drill intercept thickness. The values provided as 'true thickness' of the mineralized intervals in Table 1 are estimates only, trigonometrically calculated from each individual reported drill intercept.

Compilation and confirmation by the Qualified Person of the historical Oro Cruz reverse circulation drill hole data provided above was limited to an examination of the complete digital mine site sample database and review of select original drill hole lithological logs annotated with analytical results (holes OC-419, 428).

Although original data is limited, the data available is corroborated with the database. Drill logs indicated samples were analyzed by fire assay reporting gold and silver, and check repeat analyses were completed within higher grade sections at a ratio of roughly 1 in 10. Sampling of the RC holes was done at 0.76 metre intervals within zones of mineralization, and 1.52 metres in country rock. The analytical lab is not known.

Tetra Tech Inc, authors of the 2011 43-101 Oro Cruz Technical Report, also faced with incomplete original records, reportedly scrutinized the complete database for internal consistency and found it to be good quality and consistent with the standards of the 1990's when the data was collected. The historical mine grid was based on imperial California State Plane 6 coordinate system and was subsequently calculated to metric UTM coordinate values by Tetra Tech.

Although Oro Cruz legacy data is incomplete, it is considered reliable for exploration purposes by Owl.

The data available from Eastgate is historical and exists in varying levels of detail. The most complete records are from the recent work by Eros/Demerara in 2012/13 and is high quality and well preserved, although final compilation is lacking. Echo Bay's work in 1999 is in generally good order, reasonably complete and provides good summaries of the state of the data collected by previous operators. The body of data available overall, although not complete in any category, is comprised of drill logs, assay laboratory reports, surface soil and rock sampling records, geological mapping, location survey data and geological work reports and is considered more than adequate as a guide for exploration by Owl. The data for select Eastgate drill holes presented in Table 2 is based on a 2000 Exploration Progress Report compiled by Echo Bay that includes logs and assay certificates for the 1999 Echo Bay holes and a printed database tabulating sample intervals and results for all prior drilling, all of which is considered reliable for the purposes of exploration planning by Owl. Detailed laboratories and QA/QC methods (generally limited to repeats) used by all prior operators are also reported in the 2000 Echo Bay Exploration Progress Report. RC rock chip sample trays are not available from any of the historical drilling. RC drill samples were collected at 1.52 metre and 3.04 metre intervals.

Imperial measurement conversions to metric throughout this news release include: grams per tonne ("g/t") are calculated by multiplying ounces per ton ("OPT") gold values by factor of 34.28; and metres are calculated by dividing interval in feet by factor of 3.2808.

Terms of the Transaction

Pursuant to the terms of the Agreement, Owl will acquire:

- a. From Demerara, Demerara's entire right, title and interest, being an undivided 40% interest, in the Eastgate Property, Churchill County, Nevada;
- b. From Eros, Eros' entire right, title and interest, being an undivided 45% interest, in the Eastgate Property;
- c. From each of Demerara and Bell Mountain Exploration Corp. ("Bell", a wholly-owned subsidiary of Eros), the assignment of a Letter Agreement dated February 28, 2019 with Lincoln Mining Corp. and Lincoln Gold US Corp. pursuant to which each of Demerara and Bell may acquire a 37.5% interest (aggregate 75% interest) in the Oro Cruz Property, Imperial County, California; and
- d. From Eros, 8,750,000 shares and 7,750,000 share purchase warrants in the capital of Bullfrog, which is incorporated in the state of Delaware with its shares quoted on the OTCQB board of the OTC Market Platform. Bullfrog owns, leases and options various unpatented and patented claims that comprise of the gold focused Bullfrog Project near Beatty in Nye County, Nevada.

(the "Significant Assets")

In consideration of the Significant Assets, Owl will issue a total of 25,426,940 common shares as follows:

- a. 2,579,000 shares to Demerara with respect to the acquisition of a 40% interest in the Eastgate Property;
- b. 2,901,275 shares to Eros with respect to the acquisition of a 45% interest in the Eastgate Property;
- c. 8,545,000 shares to Demerara and 8,545,000 shares to be issued to Eros with respect to the acquisition of an exclusive option to acquire an aggregate 75% interest in the Oro Cruz Property;
- d. 2,856,665 shares to Eros with respect to the acquisition of 8,750,000 shares and 7,750,000 share purchase warrants in the capital of Bullfrog.

Upon closing of the Transaction and the Financing (as described below), the total issued and outstanding

shares of Owl will be approximately 39,800,000, of which Demerara will own 11,124,000 common shares, being 27.9%, and Eros will own 14,302,940 shares, being 35.9%. Demerara is controlled by Dale Wallster. Demerara has the right to distribute to its shareholders all the shares received from Owl.

None of the Non-Arms Length Parties to Owl has any direct or indirect interest in the Significant Assets nor are they insiders of the Demerara or Eros. The Transaction does not constitute a "Non-Arm's Length Qualifying Transaction" as defined in Exchange Policy 2.4 and consequently Owl is not required to obtain shareholder approval for the transaction.

The Transaction is subject to the entry into a Definitive Agreement, customary closing conditions and acceptance of the TSX Venture Exchange.

Non-Brokered Private Placement Financing

In conjunction with closing the transaction, Owl expects to complete a proposed non-brokered private placement financing of up to 8,153,059 common shares (each a "Share") at a price of \$0.30 per Share for gross proceeds of up to \$2,500,000 (the "Offering").

Subject to Exchange approval, Owl may pay finders in cash and/or share purchase warrants under the Offering.

The proceeds of the Offering will be used for exploration work on the Oro Cruz Property, Eastgate Property and general working capital purposes.

Directors, Officers and Insiders of Resulting Issuer

Upon completion of the transaction, it is anticipated that the board of directors of the Resulting Issuer will comprise of a minimum of three individuals. As of the date of this news release, the following persons are anticipated to be the directors, officers and insiders of the Resulting Issuer following completion of the transaction:

Ronald Netolitzky, Chairman and Director

Ron Netolitzky holds a Bachelor of Science degree from the University of Alberta and a M.Sc. degree from the University of Calgary, both in geological sciences. Ron has been very successful in mining exploration with over 50 years of experience and was directly associated with three major gold discoveries in Canada that became producing mines: Eskay Creek, Snip and Brewery Creek. He was previously Chairman and President of Viceroy Exploration Ltd., which achieved exploration success with its Gualcaymayo gold project in Argentina resulting in the sale of the company in 2006 to Yamana Gold Inc. Mr. Netolitzky was also Chairman of Brett Resources Inc., which was acquired by Osisko Mining Corp. in 2010 and currently is a director of several publicly-traded exploration companies. Mr. Netolitzky has been honoured with the Prospector of the Year award from the PDAC Developer of the Year award from the BC & Yukon Chamber of Mines and in 2015 he was inducted into the Canadian Mining Hall of Fame.

Dale Wallster, Chief Executive Officer, President and Director

Dale Wallster is a geologist and prospector with 40 years' experience in mineral deposit exploration. He was president and founder of Roughrider Uranium Corp., a company acquired by Hathor Exploration Limited in 2006 for its strategically located uranium properties in the Athabasca Basin. Dale and his team are widely credited in the mineral exploration sector for the discovery of the Hathor's Roughrider deposit. In January 2012, Hathor became a wholly-owned subsidiary of Rio Tinto plc as part of a CAD\$650 million acquisition.

James Hutton, Director

James Hutton has over 37 years of resource company and capital markets experience and is the President and CEO of privately-owned Hutton Capital Corp. He was the President & CEO of Canada Dominion Resources Group and President & COO of CMP Resources Group that jointly completed in excess of \$1.4 Billion in flow through share transactions for the Canadian resource industry. He has served on multiple public boards and held several C-level executive positions. He holds a Bachelor of Science degree from the University of British Columbia and an MBA from City University.

Owl is currently evaluating suitable candidates for the position of Chief Financial Officer and Corporate

Secretary of the Resulting Issuer following closing of the Transaction.

Sponsorship

Owl will seek a waiver of the requirement to engage a sponsor pursuant to the Exchange Policy 2.2 - Sponsorship and Sponsorship Requirements.

Qualified Person

David Tupper, PGeo, is a qualified person within the context of National Instrument 43-101 Standards of Disclosure for Mineral Projects and has prepared, read and approved the technical aspects of this news release.

About Owl Capital Corp.

Owl is a Capital Pool Company within the meaning of the policies of the Exchange, has not commenced operations and has no assets other than cash.

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Information set forth in this news release contains forward-looking statements. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. Owl cautions that all forward-looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Owl's control. Such factors include, among other things: risks and uncertainties relating to Owl's ability to complete the proposed Qualifying Transaction; and other risks and uncertainties. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, Owl undertakes no obligation to publicly update or revise forward-looking information.

Completion of the transaction is subject to conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, 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 or filing statement 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 a capital pool company 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.

A halt in trading shall remain in place until after the Qualifying Transaction is completed or such time that acceptable documentation is filed with the TSX Venture Exchange.

Figure 1: Oro Cruz Gold Project location map; Mojave-Sonora mineral trend.

To view an enhanced version of Figure 1, please visit:

https://orders.newsfilecorp.com/files/6347/44298_834b785f94b6dab8_003full.jpg

Figure 2: Oro Cruz open pit with underground mine workings projected to surface and select RC drill holes shown (see Table 1). Locations approximate.

To view an enhanced version of Figure 2, please visit:

https://orders.newsfilecorp.com/files/6347/44298_834b785f94b6dab8_004full.jpg

Figure 3: Approximate RC drill locations (see Table 2) and geology of the Eastgate Gold Project, Churchill County, Nevada

To view an enhanced version of Figure 3, please visit:

https://orders.newsfilecorp.com/files/6347/44298_834b785f94b6dab8_005full.jpg

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