

BeMetals Completes Second Stage of Option to Acquire High-Grade South Mountain Zinc-Silver Project in Idaho and Provides Corporate Updates

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TSXV: BMET

VANCOUVER, June 11, 2019 - [BeMetals Corp.](#) (TSXV: BMET) ("BeMetals" or the "Company") is pleased to announce it has received final approval from the TSX Venture Exchange ("TSX-V") and has completed the second stage (the "Second Stage") of its previously announced option agreement (the "Option Agreement") with [Thunder Mountain Gold Inc.](#) (OTCQB: THMG, TSXV: THM) ("Thunder Mountain") and certain of its wholly-owned subsidiaries. The Option Agreement secures the right to acquire up to a 100% interest in the South Mountain Project ("South Mountain" or the "Project") in southwest Idaho, U.S.A. (the "Transaction"). Concurrent with closing of the Second Stage, proceeds from the previously completed \$6.25 million private placement of subscription receipts (the "Private Placement") were released from escrow and added to the Company's working capital.

John Wilton, President and CEO of BeMetals commented, "In anticipation of completing this second stage of the Option Agreement, we have conducted project planning meetings in preparation for the initial underground drilling program at South Mountain. This drilling will commence as soon as possible, following site re-establishment. Special thanks to the management of Thunder Mountain in reaching this milestone. Over the coming weeks we expect to announce further updates on our 2019 exploration and development programs, including the commencement of drilling at both our high-grade South Mountain Zinc-Silver Project in Idaho and our exciting Pangei Copper Exploration Project in Zambia."

Corporate Updates Related to the Transaction

In connection with the Second Stage, BeMetals has issued 10 million common shares in the capital of the Company to Thunder Mountain (the "Transaction Shares"). The Transaction Shares are subject to a four month and one day hold period from the closing date of the Transaction in accordance with applicable securities laws and include certain resale restrictions pursuant to the terms of the Option Agreement.

BeMetals has also purchased 2.5 million common shares of Thunder Mountain at a cost of US\$0.10 per share for an aggregate of US\$250,000 on a private placement basis in conjunction with the Second Stage. In addition, the TSX-V has accepted BeMetals' filing of an updated NI 43-101 technical report for the South Mountain project. The technical report, titled "National Instrument 43-101 Technical Report: Updated Mineral Resource Estimate for the South Mountain Project Owyhee County, Idaho, USA" was prepared for BeMetals by Hard Rock Consulting, LLC and can be viewed under the Company's profile on SEDAR at www.sedar.com.

Pursuant to the Option Agreement, BeMetals will have two years to complete the exercise of the option (subject to extension in certain circumstances). BeMetals has become the operator of the Project and will solely fund the exploration programs and completion of a preliminary economic assessment ("PEA") for the South Mountain Project. To complete the option exercise, BeMetals must:

- Make four cash payments of US\$250,000 each on or before the 6, 12, 18 and 24 month anniversary dates of the Second Stage closing, respectively;
- Complete a preliminary economic assessment for the Project; and
- Make a final value payment to Thunder Mountain consisting of cash, common shares of BeMetals, or a combination of both at the discretion of BeMetals. The final payment will be the greater of either US\$10 million or 20% of the after-tax net present value of the Project as calculated in the PEA study completed by an agreed independent author. The final payment will be decreased by US\$850,000 to account for certain cash payments previously made, the value of the Transaction Shares, as well as certain liabilities of SMMI to be assumed upon acquisition. The final value payment is also capped at a maximum of 50% of the market capitalization of BeMetals' as of the completion date of the acquisition.

Advisory Agreement

In connection with the Transaction, BeMetals entered into an advisory agreement (the "Advisory Agreement") with Haywood Securities Inc. (the "Advisor"). Pursuant to the Advisory Agreement, the Company has paid a cash fee of \$207,412 and will issue 878,863 common shares in the capital of the Company to the Advisor (the "Advisory Shares") as partial consideration for the services of the Advisor.

Early Warning Disclosure Pursuant to National Instrument 62-103

Clive Johnson, a director of the Company, purchased 1,200,000 subscription receipts, which were converted into units of BeMetals in the Private Placement; however, the percentage of Mr. Johnson's holdings has been diluted by the Company's other share issuances pursuant to the Private Placement and completion of the Second Stage. As a result, Mr. Johnson is no longer deemed a 10% holder of the Company. Mr. Johnson has advised that he will file an early warning report in accordance with applicable securities laws and thereafter he is not required to complete any further regulatory filings in this regard. Prior to the Private Placement, Mr. Johnson held directly and indirectly, and/or had control over an aggregate of 7,100,000 common shares which, prior to the Private Placement represented 10.28% common shares of the Company and would have held 7,850,000 common shares representing 11.25% on a partially diluted basis assuming the exercise of 750,000 stock options. Following the Private Placement, Mr. Johnson retains 7.91% ownership of the Company through direct and indirect ownership and/or control, over an aggregate of 8,300,000 common shares of the Company and would own 8.82% on a partially diluted basis, assuming the exercise of the 300,000 share purchase warrants and 750,000 incentive stock options currently held or controlled by him.

About BEMETALS CORP.

BeMetals' founding Directors include Clive Johnson, Roger Richer, Tom Garagan and John Wilton. BeMetals is a new base metals exploration and development company focused on becoming a significant base metal producer through the acquisition of quality exploration, development and potentially production stage base metals projects. The Company's growth strategy is led by a strong Board, key members of which have an extensive proven record of accomplishment in delivering considerable value in the mining sector through the discovery, construction and operation of mines around the world. The Board, its Advisors, and senior management also provide outstanding deal flow of projects to BeMetals based upon their extensive network of contacts in the [International Minerals Corp.](#) business.

ON BEHALF OF [BeMetals Corp.](#)

"John Wilton"

John Wilton
President, CEO and Director

The technical information in this news release for BeMetals, has been reviewed and approved by John Wilton, CGeol FGS, CEO and President of BeMetals, and a "Qualified Person" as defined under National Instrument 43-101.

Neither the 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.

Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking statements" and "forward looking information" (as defined under applicable securities laws), based on management's best estimates, assumptions and current expectations. Such statements include but are not limited to, statements with respect to future exploration and development of the South Mountain Project and the Pangeni Copper Project, and plans for the identification and acquisition of additional base metal projects. 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. These statements should not be read as guarantees of future performance or results. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those expressed or implied by such statements. Important factors that could cause actual results to differ materially from expectations include, without limitation, the actual results of exploration activities, the availability of financing and/or cash flow to fund the current and future plans and expenditures, the ability of the Company to satisfy the conditions of the option agreements for the South Mountain Project and/or the Pangeni Copper Project, and changes in the world commodity markets or equity markets. Please refer to the

Company's most recent filings under its profile at www.sedar.com for further information respecting the risks affecting the Company and its business. The forward-looking statements and forward looking information are made as of the date hereof and are qualified in their entirety by this cautionary statement. The Company disclaims any obligation to revise or update any such factors or to publicly announce the result of any revisions to any forward-looking statements or forward looking information contained herein to reflect future results, events or developments, except as require by law. Accordingly, readers should not place undue reliance on forward-looking statements and information.

SOURCE [BeMetals Corp.](#)

Contact

about BeMetals please visit our website at www.bemetalscorp.com and sign-up to our email list to receive timely updates, or contact: Derek Iwanaka, Vice President, Investor Relations & Corporate Development, Telephone: 604-609-6141, Email: diwanaka@bemetalscorp.com

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