

# Benz Mining enters agreement to acquire the Eastmain Gold Mine Project from Eastmain Resources Inc.

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Vancouver, August 9, 2019 - [Benz Mining Corp.](#) (TSXV: BZ) (the "Company" or "Benz") is pleased to announce that it has entered into an option agreement (the "Option Agreement") with [Eastmain Resources Inc.](#) (the "Vendor" or "Eastmain Resources"), to acquire a 100% interest in the former producing Eastmain Gold project (the "Project") located in James Bay District, Quebec for CAD \$5,000,000. The Project consists of various mineral claims and project rights, as defined in the Option Agreement.

## Historical Mineral Resource Estimate

According to a NI43-101 technical report dated effective January 9, 2018 by Antoine Yassa, P.Geo., and Eugene Puritch, P.Eng, FEC, CET of P&E Mining Consultants Inc. for the Vendor, the former producing Eastmain Gold Mine project hosts the following historical resource estimate:

- Indicated resources of 899kt at a grade of 8.19 g/t gold, 8 g/t silver and 0.13% copper (236.5 koz contained gold), and
- Inferred resources of 579kt at a grade of 7.48 g/t gold, 8.2 g/t silver and 0.16% copper (139.3 koz contained gold).

The technical report, completed for Eastmain Resources on February 23, 2018, is available on SEDAR under the Eastmain Resources' profile. While the Company believes that the foregoing mineral resource estimate is reliable, the Company has not yet commenced work on the Project to assess the relevance and reliability of the mineral resource estimate. As a result, the Company considers the prior mineral resource estimate to be a historical estimate for purposes of NI 43-101. The Company plans to assess the historical estimate as it commences work on the Project to determine whether it can be verified as a current mineral resource estimate under NI 43-101. However, at this time a qualified person has not done sufficient work to classify the historical estimate as a current mineral resource on behalf of the Company. The Company is not treating the historical estimate as a current mineral resource. Readers should be cautioned that there is no guarantee that the foregoing historical resource estimate will be verified or confirmed in accordance with the requirements of NI 43-101.

Furthermore, to the extent that the historical estimate is reliable, readers should be cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. The inferred mineral resources are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that the historical mineral resource will be converted into mineral resources or mineral reserves, once economic considerations are applied; or that these inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

## The Project

The Eastmain Gold project, located approximately 750 km northeast of Montreal, and 316 km northeast of Chibougamau, comprises 152 contiguous mining claims each with an area of approximately 52.7 ha covering a total of 8,014.36 ha plus one industrial lease permit owned by Eastmain Mines Inc., a wholly owned subsidiary of the Vendor.

The Project is road accessible via the Route 167 extension, a permanent all-season road, and is serviced by

an existing camp, all season gravel roads, and an airstrip. The Project benefits from access to Chibougamau (population of 7,541) that serves as the main centre of communications and supplies for the area.

The Project has a history of significant exploration that has been undertaken intermittently since Placer Development Limited's initial discovery of the Eastmain Deposit in 1969/1970. At this time the gold-silver-copper bearing A Zone was intersected while drill-testing an airborne geophysical conductor. Subsequent drill testing of airborne conductors in the 1980's defined two additional gold-rich zones known as the B and C Zones. In 1987, the Placer and MSV Resources Inc. joint venture completed underground development on the Eastmain deposit including an 826.2 m decline, 226.2 m of sub-level drifting, and 95.5 m of raising. In 1994 to 1995, MSV Resources mined 118,356 tonnes grading 10.58 g/t Au and 0.3% Cu by room and pillar mining. The mineralization was processed at the Copper Rand Mine in Chibougamau and 40,000 oz of Au was recovered.

"With gold prices moving through US\$1,500 and triggering what appears to be a genuine gold bull market, we think our timing to acquire the former producing Eastmain Gold project couldn't be better, Miloje Vicentijevic, Benz president and CEO said.

"The project hosts high grading gold resources and provides a very advanced stage gold opportunity for Benz at the right time in the gold cycle", he added.

#### Option Agreement Terms

Pursuant to the Option Agreement, the Company retains the right and option to earn a 75% interest in the Project by issuing the following cash and common shares payments to the Vendor (the "Option Payments"):

1. \$75,000 within five business days of the Effective Date, as defined in the Option Agreement;
2. \$200,000 on or before the 1<sup>st</sup> anniversary of the Effective Date, of which up to \$100,000 may be paid in Payment Shares, as defined in the Option Agreement, at the discretion of the Company;
3. \$210,000 on or before the 2<sup>nd</sup> anniversary of the Effective Date, of which up to \$110,000 may be paid in Payment Shares at the discretion of the Company;
4. \$210,000 on or before the 3<sup>rd</sup> anniversary of the Effective Date, of which up to \$110,000 may be paid in Payment Shares at the discretion of the Company; and
5. \$1,625,000 on or before the 4<sup>th</sup> anniversary of the Effective Date, of which up to \$375,000 may be paid in Payment Shares at the discretion of the Company.

In addition to the Option Payments, the Company must issue to the Vendor 3,000,000 common shares to the Eastmain Resources within five business days of the Effective Date (the "Initial Payment Shares"), representing a value of approximately \$180,000.

The Project property expenditure schedule, as defined in the Option Agreement totals \$3,500,000 and is as follows:

1. \$500,000 of Expenditures on or before the 1<sup>st</sup> anniversary of the Effective Date;
2. An additional \$1,000,000 of Expenditures on or before the 2<sup>nd</sup> anniversary of the Effective Date;
3. An additional \$1,000,000 of Expenditures on or before the 3<sup>rd</sup> anniversary of the Effective Date; and
4. An additional \$1,000,000 of Expenditures on or before the 4<sup>th</sup> anniversary of the Effective Date;

If and when the Company has made the Option Payments of minimum \$1,625,000 cash, issued 3 million common shares and \$875,000 valued common shares; and incurred Expenditures in the aggregate amount of \$3,500,000 as defined in the Option Agreement, the Company will be deemed to have exercised the Option and a 75% right, title and interest. Benz has the right to accelerate expenditures at any time.

Following the exercise of the Option, the Company will be obligated to make the following additional payments to the Vendor on the occurrence of the following events:

- \$1,000,000 within five (5) business days of the closing of project financing to place the Property or any part thereof into commercial production in accordance with a feasibility study completed by the Optionee within 24 months of the exercise of the Option. With this payment, Benz will have acquired 100% of Eastmain Resources recorded and/or leasehold interest in the Project. If Benz fails to make this milestone payment, Eastmain Resources will have the right to buy back Company's 75% interest in the Project for \$3,500,000, of which up to \$1,225,000 may be paid in common shares of Eastmain Resources. and
- \$1,500,000 within five (5) business days of the Commencement of Commercial Production.

The Company may, at its election, pay up to 25% of this payment in common shares as Payment Shares. The number of Payment Shares required to be issued will be determined by the Share Equivalent of such payment on the date of issuance.

The Vendor would retain a 2% Net Smelter Return royalty in respect of the Project.

The Company may, at any time, purchase one half of the NSR Royalty, thereby reducing the NSR Royalty to a 1% net smelter returns royalty, for \$1,500,000.

The information in this press release has been reviewed and approved by Miloje Vicentijevic, P. Eng. qualified person for the purposes of National Instrument 43-101.

The acquisition of the Project is subject to the approval of the TSX Venture Exchange. The "Effective Date" will be the date on which Benz has received approval of the TSX Venture Exchange.

About Benz Mining Inc.

Benz is a Vancouver based mineral company publicly listed on the TSX Venture Exchange. It is focused on acquiring and developing mineral base and precious metal assets in safe jurisdictions.

On behalf of the Board of Directors of [Benz Mining Corp.](#)

Miloje Vicentijevic, President and Chief Executive Officer

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