

# Northern Vertex to consolidate and extend Greenstone convertible debentures in order to deploy cashflow to mine optimization and exploration opportunities

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VANCOUVER, Oct. 3, 2019 - [Northern Vertex Mining Corp.](#) (TSX.V: NEE) (OTC Nasdaq Intl.: NHVCF) (the "Company" or "Northern Vertex") is pleased to announce the Company has signed a term sheet with Greenstone Resources II L.P. ("Greenstone") to consolidate and extend the outstanding Greenstone convertible debt to December 1, 2020. The extension will allow the Company to put cashflow from the Moss Mine in Arizona to work to increase shareholder value via mine expansion, mine optimizations and exploration opportunities. The Company has repaid Greenstone US\$500,000 and will consolidate a further US\$8.5 million of convertible debt under a replacement convertible debenture. Further details regarding Greenstone's consolidated convertible debentures are below.

Kenneth Berry, President and CEO, states: "We are pleased to have the opportunity to extend and consolidate the Greenstone convertible debenture facilities to take advantage of the Company's cashflow, which will be put to work to create value for shareholders through the optimization of several projects currently underway at Moss. Northern Vertex will focus on initiatives that consist of exploration drilling, mine life expansion into Phase III of the Moss Mine, and several capital costs savings projects including the construction of a powerline to site, improvements to heap leach pad management, and the increase of recoveries at our Merrill Crowe Facility."

## Exploration Update

A reverse circulation (RC) in-fill drill program is well underway on permitted drill sites within the Western Extension resource area, approximate to the Moss Mine open-pit. To date, 11 drill holes have been completed from an expected 29 holes program totaling approximately 4,300 meters. The purpose of this program is to expand and confirm the current resource and is intended to run until November at which time assays will be completed.

## Powerline Update

Northern Vertex is fully permitted to construct a powerline to the Moss site and continues to advance discussions with Mohave Electric to have the powerline constructed and operational. The objective is to convert power supply from the eight primary generators and six smaller portable generators to grid power. In addition to substantially lowering emissions to the environment by up to 90%, the program is expected to save the company up to \$200,000 per month in fuel and maintenance costs. The Company anticipates the powerline completed to site by the second calendar quarter of 2020.

## Crushing Update

We currently have a temporary oversized jaw crusher set up on the tram pad scheduled to crush an estimated 60,000 tons of material of oversize rock that was created by the drill and blast program since the start of the mine. The goal is to have this extra material completed in October. Drilling and blasting measures are being taken to reduce the amount of oversized ore moving forward.

The Company continues to investigate the opportunity to adjust the crush size delivered to the pad to increase from 1/4" 3/8". To date preliminary test-work has returned positive and subject to final test-work, this would provide significant cost savings. As well, operating improvements at the Merrill Crowe facility indicate we can reduce zinc consumables and management continues to identify areas for additional cost savings which will further widen our operating margins in the strong gold price environment.

## Reduction of Water Usage

The continuing water conservation program is targeted at reducing water consumption to 60% of the

quantities outlined in the Feasibility Study. The Process team, by designing and implementing a rotating irrigation plan, has been able to utilize the drawdown of pore water in the non-irrigated sections of the heap to supplement fresh-water requirements. The Moss Mine is a closed-circuit heap-leach operation with zero discharge.

#### Permitting Update

Work continues on the Environmental Assessment (EA) of the Company's Mine Plan of Operations to expand mining, leaching and exploration onto public lands surrounding the Moss Mine private lands. Concurrently, amendments to the Aquifer Protection Permit, Air Quality Permit and Mine Reclamation are being prepared for submission to the Arizona Department of Environmental Quality with the assistance of consultants Stantec, CDM Smith and Wood PLC respectively. Approval of the MPO (Final) will allow the Company to expand its current operation (which is on patented ground) to the surrounding BLM ground, which is expected to extend mine-life by approximately 5 years. The Company expects to receive approval for the Phase III MPO in the first calendar quarter of 2020.

#### Consolidation and Extension of Greenstone Convertible Debt

Greenstone currently holds two tranches of convertible debt: US\$2.5 million due October 3, 2019 (the "October CD") and US\$6.0 million due January 31, 2020 (the "January CD"). Greenstone has provided a temporary waiver in connection with the repayment of the October CD to facilitate closing of the transaction which is expected by October 11, 2019, and signed a non-binding term sheet to consolidate and extend the October CD and the January CD (the "Consolidated CD") on the following principal terms:

- Principal Amount. US\$8.5 million
- Extension. Maturity date extended to December 1, 2020.
- Interest. Interest remains at 12% and payable quarterly in arrears in cash.
- Fees. Arrangement fee of 3% of the principal amount, payable in cash on January 31, 2020.
- Flow of Funds. As no additional debt is being created through this consolidation, no additional funds are being advanced by Greenstone to the Company.
- Conversion. Greenstone may convert some or all of the Consolidated CD, from time to time, at a conversion price of C\$0.30, a 3% premium to the Company's market price of C\$0.29 at the close of trading on the TSX Venture Exchange on October 2, 2019. This conversion price represents a modest potential dilution of 4% above Greenstone's currently outstanding convertible debentures.
- Pre-Payment. The Company may elect to prepay in cash up to US\$4.5 million of the Consolidated CD if the closing price of the Company's shares is at or above C\$0.45 for 20 consecutive trading days. The Company may exercise this option prior to the maturity date, on 10 business days' notice to Greenstone, and subject to Greenstone electing not to convert such prepayment amount during such 10 business day period. Any such cash pre-payment would decrease the potential dilution of the Consolidated CD. On such prepayment, if any, the Company will be required to pay Greenstone an amount equal to the interest it would otherwise have received had the loan been repaid at the Maturity Date, plus the Arrangement Fee in respect of the prepaid amount.

Greenstone also held US\$500,000 of non-convertible debt due October 3, 2019 which has been repaid.

The closing of the Consolidated CD remains subject to certain conditions, including approval by the TSX Venture Exchange (the "Exchange") and other customary conditions of closing. Although the Company and Greenstone have committed to working diligently to close the Consolidated CD, there is no guarantee that the transaction will close on the terms agreed or at all. The Company will update the market on the closing of the transaction in due course.

The Consolidated CD, and all securities issuable thereunder are subject to the acceptance of the Exchange. All securities issued in connection with the Consolidated CD will be subject to a hold period expiring four months and one day from the date of issuance of the Consolidated CD.

The securities being offered have not been, nor will they be registered under the United States Securities Act of 1933, as amended, or state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. federal and state registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of, or a solicitation of an offer to buy, securities in the United States.

#### Qualified Person

The foregoing technical information contained in this news release has also been reviewed and verified by Mr. Joseph Bardswich, P.Eng., a director of the Company and a Qualified Person ("QP") for the purpose of National Instrument 43-101 (Disclosure Standards for Mineral Projects).

About Northern Vertex Mining Corp.

[Northern Vertex Mining Corp.](#) is focused on low cost gold and silver production at its 100% owned Moss Mine in NW Arizona. The Company has experience across all areas of operations, mine development, exploration, acquisitions and financing of mining projects. With operations at the flagship Moss Mine achieving commercial production the Company intends to consolidate additional producing or near-term production gold assets within the Western US. Through mergers and acquisitions Northern Vertex's corporate goal is to become a mid-tier gold producer with over 200,000 ounces of gold production annually.

ON BEHALF OF THE BOARD OF NORTHERN VERTEX

"Kenneth Berry"  
President & CEO

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.

Cautionary Note Regarding Forward-Looking Statements:

This news release contains statements about our future business and planned activities. These are "forward-looking" because we have used what we know and expect today to make a statement about the future. Forward-looking statements including but are not limited to comments regarding the timing and content of upcoming work and analyses. Forward-looking statements usually include words such as scheduled, may, intend, plan, expect, anticipate, believe or other similar words. Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Many factors, known and unknown, could cause actual results to be materially different from those expressed or implied by such forward-looking statements. We believe the expectations reflected in these forward-looking statements are reasonable. However, actual events and results could be substantially different because of the risks and uncertainties associated with our business or events that happen after the date of this news release. Readers are cautioned to relate to and do not rely on forward-looking statements, which speak only as of the date made. As a general policy, we do not update forward-looking statements except as required by securities laws and regulations. US investors should be aware that mining terminology used for Canadian mineral project reporting purposes differs significantly from US terminology.

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