Thor Explorations Announces Full Funding and Commencement of Construction of the Segilola Gold Project, Nigeria

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VANCOUVER, April 15, 2020 - Thor Explorations Ltd. (TSX VENTURE: THX) (“Thor” or the “Company”) is pleased to announce that it has executed its definitive documents with the Africa Finance Corporation (“AFC”) to reach full funding of the Segilola Gold Project in Nigeria (the “Project”) and has made the Final Investment Decision to proceed with construction of the Project. The Company has decided to proceed with construction, following the implementation of Covid-19 procedures at the Project, established in accordance with industry best practice and the guidelines set out by the Osun State Government and the Ministry of Mines and Steel Development. Construction commenced in February 2020 and first gold production is scheduled for Q2 2021.

The executed definitive documents include a Subscription Agreement with AFC regarding a private placement of common shares of the Company (the ”Common Shares”) to AFC of C$5,643,150 (US$4,250,000) through the issuance of 28,215,750 Common Shares at a price of C$0.20 per Common Share (the “Tranche 2 Shares”). This follows the tranche 1 closing on December 5 2019 of C$15.800,000 (US$11,830,000). The Company is also pleased to announce the proposed issuance of 34,750,000 Common Shares against US$5,000,000 of invoices (the “Shares for Debt”) under its EPC schedule. In the aggregate, the Company expects to close an anticipated total of C$13,000,000 (US$9,250,000) through the issuance of 62,965,750 Common Shares at a price of C$0.20 per Common Share. The Tranche 2 Shares will be subject to a hold period of four months and one day after the day of such issuance.

The Company, through its wholly owned subsidiary Segilola Resources Operating Limited, has signed definitive documents with the AFC on a US$21,000,000 Stream Agreement, and signed definitive documentation for the provision of US$54,000,000 senior secured credit facility (the “Facility”). This Facility represents the balance of the funding required for the construction of the Project and drawdown is subject to satisfaction of customary conditions precedent. In connection with the Facility, the Company will issue to AFC 33,329,480 Common Shares at a deemed price of C$0.20 per Common Share in consideration of the risk taken by AFC (the “Bonus Shares”). The Bonus Shares will be subject to a hold period of four months and one day after the day of such issuance.

Upon closing of the Facility and the AFC private placement, the AFC will have provided a combined equity and debt financing package of US$86,000,000 and hold 19.50% of the total issued and outstanding Common Shares of Thor.

Thor will use the net proceeds from the AFC financings as the major component of the capital cost and working capital requirements to construct the Project. The total funding requirement to build the Project is approximately US$98,000,000.

After the closing of the private placement, issuance of the Shares for Debt and the Bonus Shares, the total number of shares outstanding is anticipated to be 545,647,445.

The Company has obtained conditional acceptance from the TSX Venture Exchange (the “Exchange”) for the issuance of the Tranche 2 Shares, the Shares for Debt and the Bonus Shares. Final acceptance of the transactions will be provided once the transactions have been publicly announced and executed documents have been filed.

Thor is also pleased to announce that subject to closing of the transactions described above, it has now attained full funding for the Project and that it has made the final investment decision to proceed with

construction of Segilola.

Board Appointment
Thor is pleased to appoint and welcome to it’s board, an AFC nominee, Mr. Oliver Andrews. Oliver is an Executive Director and the Chief Investment Officer at AFC. Oliver has over 35 years experience in investing and developing infrastructure as well as mining projects and transactions. Oliver is joining the Thor board as a Non-executive Director at an important time, and is bringing significant experience and additional governance to the board.

Segun Lawson, President & CEO, stated: *“The closing of these financings will mark Thor’s most significant milestone to date and the Company is delighted to be in this position. This Project is the first of its kind in Nigeria, a country where we believe there is considerable geological potential. The initial Project economics are excellent and we have the right team in place to build, operate and capitalise on our first mover advantage in Nigeria. We expect the pouring of first gold at Segilola in Q2 2021.*

The Company is also delighted to welcome Oliver Andrews to its board of directors. As Chief Investment Officer of AFC, he brings significant expertise and in country knowledge that will futher strengthen the Company’s board. We look forward to working with both Oliver and the AFC as we build the Project and move into the production phase.

Ensuring the health and safety of our employees, contractors and the communities in which we operate is our highest priority. Since January 2020, we have been working closely with our EPC contractor Norinco International Cooperation Limited (“Norinco”) in order to develop and implement contingency planning in relation to the outbreak of COVID-19, which the World Health Organisation categorised as a pandemic on 11 March 2020. In partnership with Norinco, we have confirmed the manufacturing capacity of our suppliers and mobilised our EPC team who have now been on-site for the last 6 weeks.”

Photos accompanying this announcement are available at:
https://www.globenewswire.com/NewsRoom/AttachmentNg/3081e753-26a5-447f-8f07-cccc296df839
https://www.globenewswire.com/NewsRoom/AttachmentNg/ac75755c-0130-4dd4-85cb-3695a2c7a4c6

Highlights of the Financing:

- Total expected fundraising of US$104,500,000
- Tranche 1 private placement (closed on December 5 2019) raising gross proceeds of C$15,733,850 (US$11,830,000) through the issuance of 78,669,250 Common Shares at a price of C$0.20
- Anticipated Tranche 2 private placement offering of C$5,973,800 (US$4,250,000) through the anticipated issuance of 28,215,750 Common Shares at a price of C$0.20 per Common Share
- Anticipated issuance of 34,750,000 shares at a price of C$0.20 per Common Share in lieu of US$5,000,000 (C$6,950,000) of EPC construction costs
- Anticipated closing of US$21,000,000 gold stream prepayment
- Anticipated closing of US$6,500,000 EPC deferred payment facility
- Anticipated closing of US$54,000,000 senior secured credit facility

The proceeds of the private placements will be used to advance the construction of the Project and general working capital purposes.

Samaila Zubairu, President and CEO, Africa Finance Corporation stated: *“As a long-term committed investor of Thor, AFC is pleased to participate in the full funding of this landmark project which represents not only a good quality asset, but also sets a benchmark for the future of commercial gold mining in Nigeria.*

“Additionally, we recognise the challenges that arise from the COVID-19 landscape emerging, and the effect it has on supply chains. As an institution, AFC believes the safety and wellbeing of the communities which we serve must come first. We therefore stand ready to provide the support which Thor may require to navigate these challenging times.”

Financing Terms
This financing terms set out in this news release supersede all previous announcements

Equity Placement:

- Total of US$21,000,000 to be raised upon closing at $0.20 per share in two tranches and issuance of Common Shares for debt against EPC contract services.

Senior secured credit facility (the “Facility”)

- US$54,000,000
- Five year term from Financial Close
- 21 Month Moratorium after financial close on Principal
- Interest rate of LIBOR + 9.0%
- Issue of 33,329,480 Common Shares issued to AFC
- The Facility is secured against assets of Thor’s wholly owned subsidiary, Segilola Resources Operating Limited (“SROL”)
- Drawdown on the Facility is subject to completing customary conditions precedent

Gold Stream Agreement (the “Stream”)

- US$21,000,000 deposit
- The stream applies to 10.27% of gold production where the Company will receive 30% of the prevailing market price up to a maximum of 2.25x money multiple on the deposit amount

Offtake Agreement (the “Offtake”)

- Applies to 89.73% of gold production up to the recoverable ounces at financial close capped at 375,736 oz

Other Facilities

- Total of US$8,500,000 through US$6,500,000 EPC deferred EPC payment facility and a US$2,000,000 working capital facility from the reagent and consumable supplier.

All Common Shares issued in connection with the private placements will be subject to a statutory four-month hold period.

An updated presentation can be found on the Company’s website: www.thorexpl.com

COVID-19
As the COVID-19 (Coronavirus) pandemic continues to have a global effect, the health and safety of our employees, communities and contractors are our utmost priority. The Company is taking steps and precautions to address the effects of the pandemic responsibly and to limit potential exposure to the rapidly changing situation.

Measures have been put in place to monitor and mitigate against the spread of COVID -19 which includes testing, monitoring, and all-round practices of cleanliness and washing to ensure any instances of COVID-19 are instantly monitored and identified. A handbook has been provided for all personnel and both HSE teams from Thor and Norinco continue to report on this on a daily basis following constant monitoring. All government and regulatory rules are also adhered to.

About Thor

Thor Explorations Ltd. is a Canadian mineral exploration company engaged in the acquisition, exploration and development of mineral properties located in Nigeria, Senegal and Burkina Faso. Thor holds a 100% interest in the Segilola Gold Project located in Osun State of Nigeria and a 70% interest in the Douta Gold Project located in south-eastern Senegal. Thor also holds a 49% interest in the Bongui and Legue gold permits located in Hound? greenstone belt, south west Burkina Faso. Thor trades on the TSX Venture Exchange under the symbol “THX”.

About Africa Finance Corporation

Africa Finance Corporation (AFC), an investment-grade multilateral finance institution, was established in 2007 with an equity capital base of US$1 billion, to be the catalyst for private-sector-led infrastructure investment across Africa. AFC has a current balance sheet size of approximately US$5.07 billion and is the second-highest investment-grade-rated multilateral financial institution in Africa with an A3 (Stable outlook) rating from Moody’s Investor Services. AFC invests in high quality infrastructure assets in Africa that provide essential services in the core infrastructure sectors of power, natural resources, heavy industry, transport and telecommunications. To date, AFC has investment approximately US$6.6 billion in project across 30 African countries.

The Segilola Gold Project

The Segilola Gold Project is considered the most advanced gold project in Nigeria. Thor completed a definitive feasibility study (DFS) on the Segilola Open Pit Reserve and a Preliminary Economic Assessment (PEA) on the Segilola Underground Resource in February 2019.

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Cautionary Note Regarding Forward-Looking Statements

Except for the statements of historical fact contained herein, the information presented constitutes “forward looking statements” within the meaning of certain securities laws, and is subject to important risks, uncertainties and assumptions that could cause the actual results of the Company to differ materially form the forward-looking statements. Such forward-looking statements, including but not limited to, the Company’s ability to close the Equity Placements, the transactions contemplated in the Facility, the Stream, the Offtake and the other facilities described in this news release, to fully finance the Project, to bring the Project into operation or to produce gold from the Project, the geological potential of Nigeria and the Project, the economics of the Project, the date of the pouring of the first gold at Segilola, the impact of COVID-19, and the use of the proceeds of the Equity Placements. The words “may”, “could”, “should”, “would”, “suspect”, “outlook”, “believe”, “anticipate”, “estimate”, “expect”, “intend”, “plan”, “target” and similar words and expressions are used to identify forward-looking information. The forward-looking information in this

news release describes the Company’s expectations as of the date of this news release and accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, it does not undertake to update this information at any particular time.

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