

# Origin Gold to Acquire Gold Project in Colombia

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TORONTO, July 09, 2020 - [Origin Gold Corp.](#) (TSXV: OIC) is pleased to announce that it has entered into a binding letter of intent with Bullet Holding Corp. (Bullet), a private company, pursuant to which the Company will acquire 100% of a gold mining project in Colombia known as the Otu Central Project (the Acquisition). The Otu Central Project consists of interests in 26 mining claim titles and applications in the Segovia/Zaragoza regions of Antioquia in Colombia (collectively, the Assets).

## Key Highlights:

- Acquisition of a company with 26 mining claim titles and applications in Colombia from Bullet for total consideration of US\$9 million (approximately C\$12.2 million), payable as US\$1 million (approximately C\$1.36 million) in cash and with the remainder payable as follows, in each case subject to approval of the TSXV Venture Exchange (the TSXV):
  - following completion of a private placement of the Company's common shares (the Shares) for proceeds of greater than US\$3 million (the Financing), that number of common shares equal to US\$3 million (approximately C\$4 million) divided by the share price of the Financing;
  - on the one-year anniversary of the execution of the definitive agreement entered into in connection with the Acquisition (the Definitive Agreement), that number of common shares equal to US\$2.5 million (approximately C\$3.4 million) divided by the 30-day volume weighted average price (VWAP) of the Shares on the TSXV for the period immediately prior to the date such shares are issued; and
  - on the two-year anniversary of the execution of the Definitive Agreement, that number of common shares equal to US\$2.5 million (approximately C\$3.4 million) divided by the 30-day VWAP of the Shares on the TSXV for the period immediately prior to the date such shares are issued.
- Bullet will retain a perpetual 2% net smelter return royalty affecting the entire Otu Central Project.
- Origin Gold is acquiring the Assets free of debt and will also acquire the related infrastructure.
- Bullet will contribute exploration expertise and community relationships developed during several years of grassroots exploration.
- The Acquisition is expected to be completed by no later than December 31, 2020.
- The Acquisition remains subject to a number of conditions, including the preparation and execution of the Definitive Agreement.

Jaime Lalinde, Origin Gold's President and CEO, commented:

"I am pleased to announce Bullet's acceptance of our binding letter of intent. We are delighted to be teaming up with Bullet, who has significant experience in the Colombian gold sector, and we are excited to begin working together."

## Letter of Intent

Bullet has accepted a binding letter of intent of the Company effective July 6, 2020 (the

Pursuant to the LOI, Origin Gold shall acquire all of the issued and outstanding shares of a newly formed entity (NewCo) that will own 100% of the Assets.

The aggregate purchase price pursuant to the Acquisition will be US\$9 million (approximately C\$12.2 million) and shall be payable by a mixture of cash payments and the issuance of Shares, as outlined above.

Upon closing of the Acquisition, Origin Gold will have acquired all of the issued and outstanding shares of NewCo, which will own, or have been irrevocably transferred, 100% of the Assets. The Assets are located in the Segovia/Zaragoza regions of Antioquia in Colombia and cover approximately 24,255 hectares. In addition, Bullet shall be entitled to nominate one individual for election to Origin Gold's board of directors at its annual general meeting held each year and shall be entitled to participate in any of Origin Gold's future private placement financings on a pro rata basis in order for it to maintain its percentage ownership position, in each case for so long as Bullet holds at least 10% of the issued and outstanding Shares.

The Acquisition is an arm's length transaction for the purposes of the policies of the TSXV and is subject to the approval of the TSXV. Origin Gold is not paying any finder's fees in connection with the Acquisition. The closing of the Acquisition is subject to the satisfaction of customary conditions precedent, including, inter alia, the receipt of regulatory approvals in Colombia, the execution of the Definitive Agreement, the approval of the TSXV, the provision of applicable legal opinions concerning the titles to the Assets and other closing conditions customarily found in transactions similar to the Acquisition.

#### About Origin Gold

Origin Gold is a mineral exploration company with its exploration activities focused in Colombia.

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#### Cautionary Note Regarding Forward-looking Information

*This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the Assets, the Company's ability to execute the Definitive Agreement, complete the Acquisition and the Financing and to develop the Assets, the receipt of approval of the TSXV in connection with the Financing and the Acquisition, and other matters related thereto. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company, as the case may be, to be materially different from those expressed or implied by such forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*

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