

# Huffington Capital Announces Conditional Approval of Qualifying Transaction and Filing of Filing Statement and Technical Report

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Vancouver, Oct. 26, 2020 - [Huffington Capital Corp.](#) (TSXV: HU.H) (the "Company") is pleased to announce that it has received conditional approval from the TSX Venture Exchange (the "Exchange") in respect to its previously announced Qualifying Transaction (as that term is defined in Policy 2.4 of the Exchange's Corporate Finance Manual (the "Policy")) of the Exchange (the "Transaction").

## FILING STATEMENT AND TECHNICAL REPORT

The Company has filed a CPC Filing Statement (the "Filing Statement") dated October 26, 2020 regarding the Transaction together with required documents including consents, financial statements and a technical report (the "Technical Report") dated effective August 10, 2020, titled "The Mohave Gold Project" and authored by Robert Johansing, BSc Geology, MSc Economic Geology, QP MMSA (the "Author") regarding the Mohave Project (as that term is defined below).

The Filing Statement and Technical Report can be found on SEDAR under the Company's issuer profile at [www.sedar.com](http://www.sedar.com).

Readers are encouraged to review the Filing Statement for full details on the Transaction and the Resulting Issuer (as that term is defined below). This news release contains only summary information regarding the Transaction.

## THE TRANSACTION

The Transaction was first announced on June 10, 2020 when it was announced that the Company had entered into a letter of intent (the "Letter of Intent") with ML Nevada Corp. ("M3 Metals Nevada"), a wholly owned Nevada incorporated subsidiary of M3 Metals Corp. ("M3 Metals"), a TSX Venture Exchange listed company.

Under the terms of the Letter of Intent, M3 Metals was, through M3 Metals Nevada, to grant to the Company an option (the "Option") under the terms of a mineral property option agreement to be drafted and executed (the "Definitive Option Agreement") to acquire up to a 90% interest in a mineral project which is the subject of a mineral property option and purchase agreement (the "Underlying Agreement") under which M3 Metals has the right and option (the "Underlying Option") to acquire up to a 100% right, title and interest in and to certain mineral properties (the "Mohave Project") in Arizona.

The Company also announced that it was engaging in a private placement (the "Private Placement") as described below and that three persons (the "New Principals") would join the Company as Directors and Officers upon closing of the Transaction.

On July 15, 2020 the Company announced it had entered into the Definitive Option Agreement regarding the Mohave Project.

## THE MOHAVE PROJECT

The Mohave Project is comprised of a total of 160 claims including lode claims and mill-site claims within Mohave County, Arizona, USA. The Mohave Project is host to widespread anomalous gold in both rocks and soil over an area of approximately 10 square kilometres. The geochemistry indicates that the numerous historic gold mines within this 10 square kilometres area may be part of one hydrothermal system. The high-grade gold occurs in association with quartz-calcite veins, breccia, sheeted veins and stockwork. The current geological model at the Mohave Project indicates that an epithermal gold system was emplaced into an evolving volcanic/intrusive complex within a north-trending structural corridor undergoing extreme extension. These circumstances provided fluid pathways for the gold-bearing fluids to fill a series of veins

that have been rotated to a sub-horizontal position. Some of these veins are clearly exposed at the surface while others are suspected to be concealed.

Historically there have been more than 550 historic drill holes totaling approximately 68,000 feet drilled within limited areas of the Mohave Project. Most of these holes were shallow, 100 feet-deep, air-track holes, many of which stopped in gold mineralization. Most of the work was done by private companies in the 1980s and 1990s.

The Mohave Project is described in detail in the Company's Technical Report and a number of details regarding the Mohave Project are summarized in the Company's news release of June 10, 2020.

## **THE DEFINITIVE OPTION AGREEMENT**

The Definitive Option Agreement was executed by the Company, M3 Metals, M3 Metals Nevada and the Company's newly incorporated Nevada subsidiary, Mohave USA Gold Corp. effective July 4, 2020.

The Definitive Option Agreement reflects the terms and conditions described in the Company's July 15, 2020 news release except that these terms and conditions were subsequently amended such that the CDN\$400,000 payment to M3 Metals to be made by Huffington is to be made on the eighteen month anniversary of the Definitive Option Agreement and not the fifteen month anniversary.

To exercise the Option as to a ninety (90%) percent right, title and interest in and to the Mohave Project, the Company (directly or through its Nevada subsidiary) now must:

- (a) Pay to M3 Metals Nevada the sum of CDN\$300,000 upon closing of the Transaction;
- (b) Pay to M3 Metals Nevada the sum of CDN\$400,000 on the eighteen month anniversary of the Definitive Option Agreement;
- (c) Pay to M3 Metals Nevada the sum of CDN\$400,000 on the second anniversary of the Definitive Option Agreement;
- (d) On or before the third anniversary of the Definitive Option Agreement pay to M3 Metals or to M3 Metals Nevada (at M3 Metals' option) CDN\$2million which payment may, at the Company's election, be made up to fifty (50%) percent in common shares of the Company (the "Shares") based on those Shares' market price on the date of their issuance;
- (e) On or before the third anniversary of the Definitive Option Agreement, make CDN\$1million in aggregate exploration expenditures on the Mohave Project;
- (f) On or before the fourth anniversary of the Definitive Option Agreement pay to M3 Metals or to M3 Metals Nevada (at M3 Metals' option) CDN\$3million which payment may, at the Company's option, be made up to fifty (50%) percent in Shares based on those Shares' market price on the date of their issuance; and
- (g) On or before the fourth anniversary of the Definitive Option Agreement, make an additional CDN\$2million in exploration expenditures (for a total of at least CDN\$3million) on the Mohave Project.

Upon having made the payments and the exploration expenditures in (a)-(g) above and provided that the Company has fully maintained the Underlying Agreement in good standing and exercised the Underlying Option, the Company will have exercised the Option as to a ninety (90%) percent right, title and interest in and to the Mohave Project.

If the Company elects to issue the Shares as described in (d) or (f) above, it must first obtain Exchange approval to such an issuance.

## **CONCURRENT PRIVATE PLACEMENT**

In conjunction with the Transaction, the Company is to complete a concurrent private placement (the "Private Placement") which is a non-brokered private placement of 11,875,000 units (the "Units") at \$0.08 per Unit. Each Unit is comprised of one common share and one common share purchase warrant exercisable at \$0.12 for a period of one (1) year from the date of issue.

Shares issued as part of the Private Placement are subject to the Exchange's value security escrow agreement as described in the Filing Statement.

## **NAME CHANGE TO "BLACK MOUNTAIN GOLD USA CORP."**

Concurrently with closing of the Qualifying Transaction, the Company will change its name to "Black Mountain Gold USA Corp."

## **NEW PRINCIPALS OF THE RESULTING ISSUER**

The Directors and Officers, including the New Principals, of the Company after completion of the Transaction (the "Resulting Issuer") will be as follows:

### **Graham Harris**

Graham Harris will be appointed Director, President and CEO of the Resulting Issuer. He will replace Robert Meister who currently holds the positions of President and CEO.

Mr. Harris has over 40 years' experience in the finance industry, including as a senior VP of Canaccord Genuity Corp. (1999-2004) and as a senior VP and partner of Yorkton Securities (1989-1999). He has directly raised over \$400 million in development and venture capital for public and private companies. He was a founder of Cap-Ex Iron Ore Ltd., a founding director of M2 Cobalt Corp which recently merged with ASX listed Jervois Mining Ltd. and is the founder of Millennial Lithium Corp. Mr. Harris currently serves as Chair and a Director of Millennial Lithium Corp., a Tier I Exchange Issuer. Mr. Harris holds a BA Econ from the University of British Columbia.

### **Dr. Peter J. MacLean**

Peter MacLean will be appointed Director of the Reporting Issuer and a member of its Audit Committee as an independent member.

Dr. MacLean has over 25 years of resource exploration and development experience in North America, South America and Africa. Currently Dr. MacLean is SVP, Technical Services for Millennial Lithium Corp. and involved in all aspects of Millennial's lithium brine project in Argentina. Previously Dr. MacLean was SVP, Exploration, for Allana Potash Corp., and directed all exploration and development activities on its Danakhil potash project in Ethiopia. Dr. MacLean has also worked extensively on base metal and precious metal projects throughout the Americas with Aur Resources, Monarch Resources, Newmont Gold, and Hecla Mining and is fluent in Spanish. Dr. MacLean holds a PhD in Geology from the University of Western Ontario and is a professional geologist (P.Geo).

### **Farhad Abasov**

Farhad Abasov will be appointed Director of the Resulting Issuer and a member of its Audit Committee as an independent member.

Mr. Abasov has over 15 years of experience founding and managing natural resource companies. He is the Chair of Automotive Finance Corp. Most recently, Mr. Abasov served as President & CEO of Allana Potash Corp., a potash development company which was sold to Israel Chemical Ltd. for \$170M in 2015. Mr. Abasov was also the Executive Chair of Rodinia Lithium, a company developing lithium brine assets in Argentina, and was a co-founder of Potash One which was acquired by German potash company K+S for \$430M in 2010. Prior to Potash One, Mr. Abasov was Senior Vice President, Strategy at Energy Metals which was acquired by Uranium One for \$1.8B in 2007. Mr. Abasov has an MBA from International University of Japan. He is currently President and CEO of Millennial Lithium Corp., a Tier I Exchange Issuer.

### **Robert Meister**

Robert Meister, currently Director, President and CEO of the Company, will resign as President and CEO (to be replaced in those roles by Graham Harris as noted above) and will be a Director, CFO and Corporate Secretary of the Resulting Issuer and a member of its Audit Committee as a non-independent member.

Robert Meister brings a unique skill set gained from his experience of working with public and private companies over the past 25 years. His experience and entrepreneurial nature have allowed him to manage and develop numerous business and management activities including all aspects of business development, marketing and finance at institutional and retail levels at Senior Officer and Executive leadership roles. He is currently the President and CEO of Myconic Capital Corp. (formerly Auralite Investments Inc.) and Cloudbreak Discovery Corp. Mr. Meister is also a director of Moovly Media Inc. and Castlebar Capital Corp.

## **SPONSORSHIP REQUIREMENT**

The Exchange has granted the Company an exemption from the sponsorship requirements under Section

### 3.4 of Exchange Policy 2.2.

#### CLOSING AND FINAL REGULATORY APPROVAL

It is anticipated, but not certain, that closing of the Transaction will occur on Wednesday, November 4, 2020 being the date which is seven (7) business days from the date of the filing of the Filing Statement.

It is anticipated that the Company will obtain final approval of the Transaction from the Exchange on or about November 5, 2020 and that the Company will commence trading under the symbol "BMG" as a Tier 2 mining issuer on the Exchange on or about November 9, 2020.

No finder's fees, commissions or other similar fees are payable in connection with the closing of the Transaction or any component of it including the Private Placement.

The technical disclosure in this news release has been reviewed by Robert Johansing, BSc Geology, MSc Economic Geology, QP MMSA, a Qualified Person as that term is defined in NI 43-101.

On behalf of the Board of Directors

"Robert Meister"  
Robert Meister, Director, President and CEO

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved of the contents of this news release.*

*This news release may contain certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. When or if used in this news release, the words "anticipate", "believe", "estimate", "expect", "target", "plan", "forecast", "may", "schedule" and similar words or expressions identify forward-looking statements or information. These forward-looking statements or information may relate to future prices of commodities in particular of gold, accuracy of mineral or resource exploration activity, reserves or resources, regulatory or government requirements or approvals, the reliability of third party information, continued access to mineral properties or infrastructure, currency risks including the exchange rate of US\$ for CDN\$, changes in exploration costs and government royalties or taxes in Canada, the United States, Arizona or other jurisdictions and other factors or information. Such statements represent the Company's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social risks, contingencies and uncertainties. Many factors, both known and unknown, could cause results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements. The Company does not intend, and does not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements and information other than as required by applicable laws, rules and regulations. The reader is cautioned not to place undue reliance on any forward-looking information.*

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