

RETRANSMISSION: Kesselrun Announces Closing of Upsized C\$6.0 Million Brokered Private Placement

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Thunder Bay, December 8, 2020 - [Kesselrun Resources Ltd.](#) (TSXV: KES) ("Kesselrun" or the "Company") is pleased to announce that it has closed its previously announced private placement for gross proceeds of C\$6.0 million (the "Offering"), which includes the full exercise of the over-allotment option. Under the Offering, pursuant to which the Company sold the following:

- 9,920,501 units of the Company (the "Units") at a price of C\$0.22 per Unit;
- 6,244,000 flow-through common shares of the Company (the "FT Shares") to traditional flow-through purchasers at a price of C\$0.25 per FT Share; and,
- 7,398,227 flow-through units of the Company (the "FT Units") sold to charitable flow-through purchasers at a price of C\$0.305 per FT Unit.

Red Cloud Securities Inc. ("Red Cloud") acted as sole agent and bookrunner under the Offering.

Each Unit is comprised of one common share in the capital of the Company (each a "Common Share") and one half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each FT Unit is comprised of one FT Share and one half of one Warrant. Each whole Warrant shall be exercisable into one Common Share at a price of C\$0.33 at any time on or before December 7, 2022.

Due to investor demand, as previously disclosed in the Company's November 16, 2020 news release, the Offering was upsized from C\$3.0 million. The net proceeds raised from the sale of Units will be used for the exploration and advancement of the Company's Huronian and Bluffpoint projects located in northwestern Ontario and for general working capital purposes. Proceeds from the sale of FT Shares and of FT Units will be used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act (Canada) and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act (Canada). Such proceeds will be renounced to the subscribers with an effective date not later than December 31, 2020, in the aggregate amount of not less than the total amount of gross proceeds raised from the issue of FT Shares.

Michael Thompson, P.Geo., President and CEO of the Company, commented, "We are extremely pleased to have closed this upsized financing. The fully exercised over-allotment option granted to Red Cloud and the high calibre of the institutions who subscribed to the financing, all attest to the quality of not only our projects, but also our team. We welcome all as new shareholders of Kesselrun and look forward to a safe and prosperous 2021."

In connection with the Offering, Red Cloud received a cash commission of C\$389,128 and 1,512,891 non-transferable agent warrants, each entitling the Red Cloud to purchase one Unit of the Company at a price of C\$0.22 per Unit until December 7, 2022. Red Cloud was also paid a financial advisory fee of \$12,320 and issued 56,000 advisory warrants having the same terms and conditions as the agent warrants, for financial advisory services provided by Red Cloud in connection with the Offering.

Resale of the securities of the Company issued under the Offering will be restricted, including a customary hold period pursuant to Canadian securities laws of four months and one day following the closing date of the Offering. Certain insiders participated in the Offering, which participation constituted a related party transaction pursuant to the policies of the TSX Venture Exchange (the "TSXV") and Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company relied

on the exemptions from the valuation and minority approval requirements set forth in sections 5.5(a) and 5.7(1)(a) of MI 61-101 as the fair market value of the transaction did not exceed 25% of the Company's market capitalization. A material change report with respect to the closing of the Offering will be filed less than 21 days prior to the closing date of the Offering as participation by insiders was not settled until shortly prior to closing and the Company wished to complete the Offering as expeditiously as possible. Closing of the Offering has been conditionally approved by the TSXV, with final acceptance subject to the fulfillment of the customary requirements of the TSXV.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company, nor shall there be any sale of the Company's securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. The securities offered under the Offering will not be, and have not been, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person absent an effective registration statement under the U.S. Securities Act or an available exemption from the registration requirements of the U.S. Securities Act, and in each case in compliance with applicable State securities laws.

About Kesselrun Resources Ltd.

Kesselrun Resources is a Thunder Bay, Ontario-based mineral exploration company focused on growth through property acquisitions and discoveries. Kesselrun's management team possesses strong geological and exploration expertise in Northwest Ontario. For more information about Kesselrun Resources, please visit www.kesselrunresources.com.

Neither the 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 news release.

For additional information please contact:

[Kesselrun Resources Ltd.](http://www.kesselrunresources.com)

Michael Thompson, P.Geo., President & CEO
807.285.3323
michaelt@kesselrunresources.com

Corporate Communications
1.866.416.7941
information@kesselrunresources.com

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