

O2Gold Closes Acquisition of Colombian Gold Project

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TORONTO, April 23, 2021 - [O2Gold Inc.](#) ("O2Gold" or the "Company") (TSXV: OTGO) is pleased to announce that it has closed its previously announced acquisition 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"). For more information about the Acquisition, please see the Company's press releases dated October 28, 2020, November 30, 2020 and December 11, 2020, which are available under the Company's SEDAR profile at www.sedar.com.

Terms of the Acquisition

Pursuant to the terms of the share purchase agreement dated October 26, 2020, as amended, (the "Share Purchase Agreement"), entered into with Bullet Holding Corp. ("Bullet") and certain of Bullet's directly and indirectly-owned subsidiaries, the Company acquired all of the issued and outstanding shares of Buenaventura Gold, Inc., a Panamanian company, that indirectly owns, or has been indirectly irrevocably transferred, 100% of the Assets. Total consideration for the Acquisition is US\$9 million (approximately C\$11.24 million) payable in cash and securities of the Company, US\$1 million (approximately C\$1.25 million) of which has been paid in cash and US\$3 million (approximately C\$3.75 million) of which has been satisfied by the issuance of 18,807,206 units of the Company, at a deemed price per unit of C\$0.20. In accordance with the Share Purchase Agreement, each unit consists of the same securities that were issued by the Company in its private placement offering of units that closed on April 16, 2021 (the "Offering"). Please see the Company's press releases dated January 14, 2021, March 22, 2021 and April 16, 2021 for additional details of the Offering, including information about the securities issued, which are also available at www.sedar.com.

The remaining US\$5 million (approximately US\$6.24 million) of the consideration shall be payable by the issuance of:

- on October 26, 2021, that number of common shares of the Company (the "Shares") equal to US\$2.5 million (approximately C\$3.12 million) divided by the greater of: (i) the United States dollar equivalent of the 30-day volume weighted average price ("VWAP") of the Shares on the TSX Venture Exchange ("TSXV") for the period immediately prior to the date such shares are issued and (ii) C\$0.18; and
- on October 26, 2022, that number of Shares equal to US\$2.5 million (approximately C\$3.12 million) divided by the greater of: (i) the United States dollar equivalent of the 30-day VWAP of the Shares on the TSXV for the period immediately prior to the date such Shares are issued and (ii) C\$0.18.

In accordance with the policies of the TSXV, no more than 57,777,778 Shares may be issued as consideration for the Acquisition.

In addition, Bullet will retain a perpetual 2% net smelter return royalty on the entire Otu Central Project, with the exception of production from mining title no. T4638005, which is already affected by a 5% net smelter return royalty payable to a third party. Also under the terms of the Share Purchase Agreement, Bullet is entitled to nominate one individual for election to O2Gold's board of directors at its annual general meeting held each year and to participate in any of O2Gold'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 Assets are located in the Segovia/Zaragoza regions of Antioquia in Colombia and cover approximately 24,255 hectares. O2Gold has acquired the Assets free of debt along with any related infrastructure. Bullet has agreed to contribute exploration expertise and community relationships developed during several years of grassroots exploration.

The Acquisition is an arm's length transaction for the purposes of the policies of the TSXV. O2Gold is not paying any finder's fees in connection with the Acquisition.

Appointment of Director

Also in connection with the Acquisition, the Company has appointed Mr. Robert W. Allen, a nominee of Bullet, to the Company's board of directors, effective immediately.

Robert W. Allen is the founder and Chairman of Grupo de Bullet, a mineral exploration company active in Colombia since 1984, longer than any international mining company. Allen built and operated Continental Gold and its flagship deposit; Continental sold to Zijin for C\$1.4 billion in 2020. Grupo de Bullet has also discovered or contributed to the discovery of nearly every major Colombian deposit of the last two decades. Allen is a native of Arkansas, where he lives. Through Grupo de Bullet, he remains one of the largest mineral rights holders in Colombia.

"We are very excited to welcome Bob to the board. His vision and expertise are an immeasurable asset to [O2Gold Inc.](#)," said the CEO of O2Gold, Jaime Lalinde. "He has had a tremendous impact on Colombia's precious metals industry, and, with his help, we expect to continue the great and historic work he and his nephew Robert Neill have done here. Additionally, O2Gold intends to begin to actively pursue the option of acquiring production and processing capacity in the region."

Additional Consideration

The Company is also pleased to announce that, in addition to the \$3,478,000 in gross proceeds raised pursuant to the Offering, \$625,500 was raised through the exercise of warrants held by certain of its warrant holders.

Miscellaneous

Due to a clerical error made by a finder, the Company also announces that additional finder's fees were paid pursuant to the Offering as follows. An additional C\$3,850 in cash was paid and an additional 19,250 non-transferable finder's warrants ("Finder's Warrants") were issued to Haywood Securities Inc. in accordance with the policies of the TSXV. Each Finder's Warrant entitles the holder thereof to acquire one Share at a price of \$0.20 at any time prior to April 16, 2023.

All securities issued in connection with the Offering are subject to a statutory hold period of four-months and one day, expiring on August 17, 2021.

About O2Gold

O2Gold is a mineral exploration company with activities 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 Acquisition, including in connection with the Company's future payment obligations, and the Company's intention to pursue acquisitions of production and processing capacity in Colombia. 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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