

# Silver Mountain Mines Inc. Receives Conditional For Reverse Takeover Transaction With Nevgold Corp.

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CALGARY, May 17, 2021 - [Silver Mountain Mines Inc.](#) (TSXV: "SMM") ("Silver Mountain" or the "Company") announces that further to its news releases dated January 19, 2021 and February 23, 2021, the Company has received conditional approval from the TSX Venture Exchange (the "Exchange") with respect to a proposed business combination (the "Transaction") with Nevgold Corp. ("Nevgold"), which will constitute a reverse takeover of the Company by Nevgold under the policies of the Exchange.

## *Transaction Summary*

The Company proposes to acquire all of the issued and outstanding common shares (the "Nevgold Shares") of Nevgold by way of a three-cornered amalgamation pursuant to which Nevgold will amalgamate with 1288412 B.C. Ltd. ("Newco"), a wholly-owned subsidiary of the Company, as further described in the Company's press releases dated January 19, 2021 and February 23, 2021. The Transaction will constitute a reverse takeover of the Company by Nevgold, as following the closing of the Transaction, the shareholders of Nevgold will own a majority of the outstanding common shares ("Resulting Issuer Shares") of the resulting issuer (the "Resulting Issuer"). Upon closing of the Transaction, the Resulting Issuer will be engaged in the existing business of Nevgold and the Resulting Issuer is expected to become a Tier 2 Mining Issuer under the policies of the Exchange. The Company and Nevgold have determined that the Transaction is an Arm's Length Transaction (as defined in the policies of the Exchange).

As previously announced on February 23, 2021, the Company, Nevgold and Newco entered into an amalgamation agreement (the "Amalgamation Agreement") whereby Nevgold agreed to amalgamate with Newco, and the Company agreed to issue Resulting Issuer Shares to the Nevgold shareholders on the basis of one Resulting Issuer Share for each Nevgold Share held. An aggregate of 25,000,000 Resulting Issuer Shares will be issued to Nevgold shareholders, excluding the Resulting Issuer Shares to be issued pursuant to the Concurrent Financing (as defined below). The deemed price of the Transaction is \$0.40 per Resulting Issuer Share.

The Company will hold an annual, general and special meeting of the shareholders of the Company on June 11, 2021 (the "Meeting") to approve the Transaction, a reconstitution of the board of directors of the Company and a change of name following the completion of the Transaction, the adoption of a new 10% rolling stock option plan, along with annual meeting matters.

Closing of the Transaction is subject to the satisfaction of certain closing conditions as set out in the Amalgamation Agreement filed on SEDAR under the Company's profile, including without limitation, completion of the Concurrent Financing, approval of the shareholders of Company to the Transaction, the change of name of the Company and the reconstitution of the board of directors of the Company at the Meeting and final acceptance of the Exchange to the Transaction.

## *Concurrent Financing*

Prior to the closing of the Transaction, Nevgold expects to complete a concurrent financing (the "Concurrent Financing") to raise minimum gross proceeds of \$4,000,000 and maximum gross proceeds of \$8,000,000, through the issuance on a brokered private placement basis of between 10,000,000 and 20,000,000 subscription receipts (the "Subscription Receipts") at a price of \$0.40 per Subscription Receipt.

In connection with the Concurrent Financing, Nevgold will be engaging Red Cloud Securities Inc. (the "Agent") to act as lead agent and sole bookrunner as part of a syndicate of other investment dealers. The

Agent will have the option, exercisable in full or in part up to two days prior to the closing date of the Concurrent Financing, to sell up to an additional 1,875,000 Subscription Receipts at a price of \$0.40 per Subscription Receipt for additional gross proceeds of up to \$750,000. As part of the Concurrent Financing, Nevgold will have the right to include a list of subscribers (the "President's List") to purchase Subscription Receipts for gross proceeds of up to \$1,500,000.

Each Subscription Receipt entitles the holder thereof to automatically receive, upon satisfaction of certain escrow release conditions, one unit that, when exchanged for securities of the Resulting Issuer pursuant to the Transaction, will be comprised of one Resulting Issuer Share and one-half of one warrant of the Resulting Issuer (each whole warrant, a "Resulting Issuer Warrant"). Each Resulting Issuer Warrant will entitle the holder to purchase one Resulting Issuer Share at a price of \$0.60 per Resulting Issuer Share for a period of 24 months following the closing date of the Concurrent Financing. The proceeds of the Concurrent Financing will be used for exploration and development of the Resulting Issuer's mineral properties and for working capital and general corporate purposes.

Nevgold expects to enter into an agency agreement with the Agent pursuant to which Nevgold will pay the Agent a cash commission equal to 6% of the gross proceeds of the Concurrent Financing, except for Subscription Receipts sold under the President's List, for which the cash commission will be equal to 2% of the gross proceeds. Nevgold will issue broker warrants (each, a "Broker Warrant") to the Agent equal to 6% of the number of Subscription Receipts sold under the Concurrent Financing, except for Subscription Receipts sold under the President's List, for which the Broker Warrants will be equal to 2% of the number of Subscription Receipts sold. Each Broker Warrant will entitle the holder thereof to purchase one Resulting Issuer Share at an exercise price of \$0.40 per Resulting Issuer Share for a period 24 months following the closing date of the Concurrent Financing.

As the Concurrent Financing consists of Subscription Receipts, it is expected that the Concurrent Financing will be completed prior to closing of the Transaction; however, the proceeds will be kept in escrow and not released to Nevgold unless the escrow release conditions with respect to the Subscription Receipts are satisfied by the deadline provided in the terms of the subscription receipt agreement that will govern the Subscription Receipts, which escrow release conditions will include the satisfaction of all conditions precedent to the closing of the Transaction.

#### *Insiders of the Resulting Issuer on Completion of the Transaction*

Upon closing of the Transaction, the board of directors of the Resulting Issuer is expected to consist of Brandon Bonifacio, Giulio Bonifacio, Victor Bradley, Steve Konopelky, Greg French, Tim Dyhr, and Morgan Hay, with Giulio Bonifacio as the non-executive Chairman. The officers of the Resulting Issuer will include Brandon Bonifacio as President and CEO, Robert McKnight as Executive Vice-President CFO and Corporate Development, and Catherine Cox as Corporate Secretary.

McEwen Mining Inc., a Colorado corporation listed on the Toronto Stock Exchange, is expected to be an Insider (as defined in the policies of the Exchange) of the Resulting Issuer as a result of holding 10% of the outstanding Resulting Issuer Shares.

The following tables provide the background for each of the proposed members of management and board of directors of the Resulting Issuer:

| Name                                            | Past Experience                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Brandon Bonifacio - President, CEO and Director | Mr. Brandon Bonifacio is a mining executive with over 10 years of experience. Mr. Bonifacio is a co-founder and Managing Director of a Joint Venture (Cerro Casale/Caspiche) and was a member of the Development team at Goldcorp Inc. (now Barrick Gold). Mr. Bonifacio holds a B.S. in Engineering and MBA from the University of British Columbia. |

Giulio Bonifacio - Non-Executive Chairman and Director

Mr. Giulio Bonifacio is a Chartered Professional in executive roles in the mining industry. Since its inception, Nevada Copper Corp. has achieved numerous accomplishments. Mr. Bonifacio has raised significant financings as well as being involved in the permitting, and construction.

Robert McKnight - Executive Vice-President CFO and Corporate Development

Mr. Robert McKnight P.Eng., B.A.Sc., has extensive experience in copper, gold, base metals, and precious metals in project debt, equity, stream and M&A. He has exposure to projects in the United States and Canada. Initially trained as a geological engineer, he has worked in finance, securities regulatory, mergers and acquisitions, senior management and board levels. He has been involved in arranging over \$500 million in debt, equity, and stream financing. He participated in the successful negotiation for Bema Gold and Amax Gold (Refuge) and Yukon Zinc. He managed securing a \$1.2 billion sale of Yukon Zinc. He participated in a takeover of Selwyn, a \$100M sale of a 50% joint venture.

Catherine Cox - Corporate Secretary

Ms. Cox has over 20 years of experience in the mining industry, predominately in the resource sector. She has worked in RTO, exploration, development and production.

Vic Bradley - Director

Mr. Bradley is a Chartered Professional Engineer in the mining industry. Over the past 30 years he has worked in exploration and development companies. He was a director of Nevoro Inc. (sold to Starfield Resources) and CEO, and subsequently Chairman of Osisko Mining Corp. from 2006 until its sale to Barrick Gold. He served as a director of Osisko Gold Royalties from 2012 to 2017. He now serves as a director of Nevada Copper.

Steve Konopelky - Director

Mr. Konopelky has spent the last 25 years working in the mining industry, effectively streamlining financial and operational processes in various industries. He is currently the President of a management company which supports mining companies. He is the current President & CEO of [Silver Mountain](#).

Greg French - Director

Mr. French is a geologist with over 35 years of experience. His current role is Nevada Copper's VP, Homestake Mining Inc., Atlas Precious Metals. He has been involved in Nevada gold discovery to his credit and taken through feasibility and into production.

Tim Dyhr - Director

Mr. Dyhr has over 35 years of experience in the mining industry, government relations in the United States. He has been a director of Nevada Copper's Pumpkin Hollow Project. His responsibilities include directing the initial permitting of the project and serving as Nevada Mining Association from 2017-2019. He has worked for companies including Magma Copper and Nevada Copper.

Morgan Hay - Director

Morgan Hay is a partner of Maxis Law Firm. Since 2007 he has been advising mining companies in the natural resources sector, and has experience in corporate governance.

### *Selected Financial Information of Nevgold*

The following table sets out selected financial information of Nevgold in summary form for the financial period from incorporation on October 27, 2020 to December 31, 2020. This selected financial information has been derived from and should be read in conjunction with the audited financial statements of Nevgold for the financial period from incorporation on October 27, 2020 to December 31, 2020 and notes thereto and auditor's report, which will be attached to the information circular of the Company in respect of the Meeting. Nevgold has declared no cash dividends since incorporation.

Financial Period Ended December 31, 2020

Total revenues Nil  
Net income Nil  
Total assets \$1  
Total liabilities \$7,500

About Silver Mountain Mines Inc. (TSX-V: SMM) [Silver Mountain Mines Inc.](http://www.silvermountainmines.com) is a Canadian based exploration and development company with 100% ownership of a 9,300 hectare property centered on the historical silver rich Ptarmigan Mine in south eastern, British Columbia. The property hosts two styles of mineralization: silver rich, high-grade polymetallic epithermal veins and manto style massive / semi-massive sulphide mineralization.

ON BEHALF OF THE BOARD

"Signed"

Steve Konopelky  
Director

For further information on [Silver Mountain Mines Inc.](http://www.silvermountainmines.com) please visit the Company's website <http://www.silvermountainmines.com> and SEDAR ([www.sedar.com](http://www.sedar.com)) or contact Mr. Steve Konopelky, at 403-229-9140.

This news release does not constitute an offer to sell and is not a solicitation of an offer to buy any securities in the United States. The securities of the Company and Nevgold have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws unless pursuant to an exemption from such registration.

*Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and shareholder approval of the Transaction. The Transaction cannot close until all necessary shareholder approvals are obtained. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.*

*The Exchange has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news release.*

*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 release.*

#### **Cautionary Note Regarding Forward Looking Statements**

*This news release contains certain forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate" "plans", "estimates" or "intends" or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements contained in this news release may include, but are not limited to, the terms, structure and completion of the Transaction, the terms and completion of the Concurrent Financing and the management and board of directors of the Resulting Issuer on completion of the Transaction.*

*Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual*

*events or results to materially differ from those reflected in the forward-looking statements. These risks and uncertainties include, but are not limited to: liabilities inherent in mine development and production; geological risks, risks associated with the effects of the COVID-19 virus, the financial markets generally, the satisfaction or waiver of the conditions precedent to the Transaction, the ability of Nevgold to complete the Concurrent Financing and the acquisition of the Limousine Butte and Cedar Wash properties pursuant to an asset purchase agreement with [McEwen Mining Inc.](#), and the ability of the Company and Nevgold to complete the Transaction and obtain requisite Exchange acceptance and shareholder approvals. There can be no assurance that forward-looking statement will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.*

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