

# Allied Copper Enters into Definitive Agreement to Acquire 1269280 B.C. Ltd and Announces Leadership Changes

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Vancouver, May 26, 2021 - [Allied Copper Corp.](#) (TSXV: CPR) (OTC: CPRRF) ("Allied Copper" or the "Company") is pleased to announce that it has entered into a definitive agreement dated May 5, 2021 (the "Definitive Agreement") with 1269280 B.C. Ltd. ("BCCo"), a corporation incorporated in the Province of British Columbia, and 1303288 B.C. Ltd., a wholly owned subsidiary of the Company ("Subco") incorporated in the Province of British Columbia, whereby the Company will acquire all of the issued and outstanding shares of BCCo pursuant to a three-cornered amalgamation in accordance with Section 269 of the Business Corporations Act (British Columbia) (the "Proposed Transaction"). BCCo is a private company formed under the laws of British Columbia on October 8, 2020, whose sole asset is an option agreement with Goodsprings Exploration LLC ("Goodsprings"), Robert Cole ("R. Cole") and Lori Cole ("L. Cole" together with R. Cole and Goodsprings, the "Optionors") (the "Goodsprings Option Agreement"), whereby BCCo has the option (the "Option") to earn a 100% interest in the Silver King project in the State of Nevada (the "Silver King Property").

The Proposed Transaction is a Reverse Takeover (as that term is defined in the policies of the TSX Venture Exchange (the "TSXV"). The Proposed Transaction will not result in a change of business of the Company and following the completion of the Proposed Transaction the Company will be a junior mining issuer focused on the exploration and development of the Silver King Property.

## The Silver King Property

The Silver King Property is a porphyry copper-gold exploration target in Lincoln county, Nevada. The Silver King Property, comprised of 316 BLM lode mining claims (2560Ha) sits on a highly prospective area, along a geologic trend which hosts multiple producing mines, with transportation and power infrastructure readily available.

The Silver King mine was discovered in the 1870's, with reported shipments of high-grade lead-zinc-silver ore to Salt Lake City. In 1919 construction of a 50 ton per day smelter was started on the property, but never completed, with additional, limited, production in 1939. There is no record of additional work until modern exploration work on the property was conducted by B&B Mining, commencing in the early 1960's. Subsequent exploration was conducted by Anaconda, Caldera Resources, Great Basin Exploration and Nevoro Nevada Inc. conducting the most recent work in 2007.

The work done to date includes an airborne magnetic survey, IP surveys and initial drilling. These work programs have identified multiple styles of mineralization, within an identified potential porphyry system. The culmination of this work has partially defined a Tertiary age (28 MA), multi-phased, intrusive complex which has generated widespread base and precious metal mineralization in the following environments:

- Structurally controlled jasperoids and carbonate replacement zones;
- Contact-related skarn zones;
- Intrusion-hosted, quartz-sulfide stockwork zones; and
- Zones of distal disseminated precious metal mineralization.

Nevada is a recognized mining jurisdiction being ranked #1 in the world for investment in 2020 by the Fraser Institute, and has been consistently in the top 10 over the last 8 surveys.<sup>1</sup> The Fraser Institute takes into consideration a multiple of metrics which include a short permit approval process, high levels of transparency, confidence, taxation, quality of infrastructure, to name a few.

The Silver King Property is aligned with Allied Copper's focus and mandate to acquire, explore and develop

potential long-life, scalable copper-gold assets in low-risk jurisdictions. Resource independence is, and has become a critical issue facing nations worldwide. Allied Copper will endeavor and strive to be a part of the solution.

### The Goodsprings Option Agreement

Under the terms of the Goodsprings Option Agreement, BCCo may exercise the Option to acquire a 100% interest in the Silver King Property in exchange for payment of US\$420,000 over a four-year period, as follows:

- US\$15,000 within 45 days of the date which the Goodsprings Option Agreement is signed by the last of the parties to sign (the "Effective Date"), but no later than February 15, 2021;
- US\$20,000 on or before the first anniversary of the Effective Date;
- US\$25,000 on or before the second anniversary of the Effective Date;
- US\$30,000 on or before the third anniversary of the Effective Date; and
- US\$330,000 on or before the fourth anniversary of the Effective Date.

BCCo confirms that the initial payment of \$15,000 has been made in accordance with the Goodsprings Option Agreement.

In the event that the Option is exercised, BCCo will grant a 2% net smelter returns royalty ("NSR") in favour of the Optionors, subject to the ability of BCCo to purchase 1% of the NSR (resulting in the remaining NSR being 1%) for a purchase price of \$1,500,000 at any time before the commencement of commercial production on the Silver King Property.

Below is a summary of financial information of BCCo based on an unaudited balance sheet as at March 31, 2021:

Financial Period	Assets	Liabilities	Revenues	Net Loss
March 31, 2021	\$39,881	\$2,032	\$Nil	\$2,301

### Terms of Proposed Transaction

Under the Definitive Agreement in order to acquire a 100% of the issued and outstanding shares of BCCo, the Company will issue an aggregate of 6,691,000 common shares in the capital of the Company (the "Consideration Shares") at a deemed price of \$0.30 per Consideration Share to the shareholders of BCCo. The Consideration Shares shall be subject to contractual resale restrictions providing that the Consideration Shares may not be sold, transferred, optioned, encumbered, pledged or hypothecated in any way, except as follows: (i) as to 25% on the date which is six months from the date of issuance; (ii) as to 25% on the date which is twelve months from the date of issuance; and (iii) as to 50% on the date which is eighteen months from the date of issuance. All securities issued pursuant to the Proposed Transaction will be subject to a statutory hold period of four months and one day from the issuance thereof, as applicable, in accordance with applicable securities laws.

### Satisfaction of Conditions to Closing

The completion of the Proposed Transaction is subject to the satisfaction of certain conditions precedent, including:

1. Receipt of all necessary consents, approvals and other authorizations of any regulatory authorities, shareholders or third parties has been obtained, including but not limited to the approval of the TSX Venture Exchange (the "TSXV");
2. The representations and warranties of the parties in the Definitive Agreement remaining accurate at and as of the Closing Date;
3. The completion by BCCo of an equity financing for gross proceeds of a minimum of \$1,500,000 and a maximum of \$3,000,000 (the "Offering") at an offering price of \$0.30 per subscription receipt (the "Subscription Receipts").



## Concurrent Financing

In connection with the Proposed Transaction, BCCo proposes to complete a non-brokered private placement of up to a maximum of 10,000,000 subscription receipts at a price of \$0.30 per Subscription Receipt (the "Issue Price") for aggregate gross proceeds of up to a maximum of \$3,000,000 (the "Offering"). The gross proceeds of the Offering (the "Escrowed Proceeds") will be held in escrow on behalf of the subscribers of the Subscription Receipts by TSX Trust Company (the "Escrow Agent"), pursuant to the terms of a subscription receipt agreement (the "Subscription Receipt Agreement") to be entered into on or about the closing date of the Offering (the "Offering Closing Date") among BCCo and the Escrow Agent. Each Subscription Receipt will be automatically converted, without payment of any additional consideration and without further action on the part of the holder thereof, for one unit (a "Unit") of the Company upon satisfaction or waiver of the escrow release conditions ("Escrow Release Conditions") set out below and in the Subscription Receipt Agreement and prior to a Termination Event (as defined below), subject to adjustment in certain events. The Units to be issued upon conversion of the Subscription Receipts will be comprised of one common share of the Company (a "Unit Share") and one-half of one whole common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable by the holder thereof for one common share of the Company (each, a "Warrant Share") at an exercise price of \$0.45 per Warrant Share for a period of twenty-four (24) months following the date of issuance (the "Warrant Term") provided, however, that should the closing price at which the Common Shares trade on the TSX Venture Exchange (or any such other stock exchange in Canada as the Common Shares may trade at the applicable time) exceed CDN\$0.90 for 20 consecutive trading days at any time following the date that is four months and one day after the date of issuance, the Company may accelerate the Warrant Term (the "Reduced Warrant Term") such that the Warrants shall expire on the date which is 30 business days following the date a press release is issued by the Company announcing the Reduced Warrant Term, subject to adjustments in certain events.

The Escrow Release Conditions are as follows:

1. The receipt of all required corporate, shareholder and regulatory approvals in connection with the Offering and the Proposed Transaction, including, without limitation, the conditional approval of the TSXV for the listing of the Unit Shares and Warrant Shares and any relevant listing documents having been accepted for filing with the TSXV;
2. The completion or the satisfaction of all conditions precedent to the Proposed Transaction, substantially in accordance with the definitive agreements relating to the Proposed Transaction; and
3. The Company having delivered a notice to the Escrow Agent, confirming that the conditions set forth in (a) and (b) above have been met or waived.

In the event that: (i) the Escrow Agent does not receive the release notice contemplated by the Subscription Receipt Agreement prior to 5:00 p.m. (Toronto time) on that date which is 120 days after the Offering Closing Date (the "Escrow Release Deadline"); or (ii) prior to the Escrow Release Deadline, the Company announces to the public that it does not intend to proceed with the Proposed Transaction and/or satisfy the Escrow Release Conditions (each, a "Termination Event"), the Escrowed Proceeds (plus any interest accrued thereon) will be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be cancelled without any further action on the part of the holders. To the extent that the Escrowed Funds are not sufficient to refund the aggregate Issue Price paid to the holders of the Subscription Receipts, BCCo will be responsible and liable to contribute such amounts as are necessary to satisfy any shortfall.

The net proceeds of the Offering will be used to fund the consideration payable under the terms of the Goodsprings Option Agreement in respect of the acquisition of the Silver King Property and for general corporate purposes.

The Subscription Receipts issued pursuant to the Offering will be subject to a regulatory four month hold period. The Unit Shares and Warrants issued upon conversion of the Subscription Receipts will not be subject to resale restrictions.

The securities that will be issued in connection with the Offering will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. state securities laws, and may

not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined under the U.S. Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

#### Reverse Takeover Transaction

The Proposed Transaction, together with the Offering, the name change and consolidation of the Common Shares of the Company which was completed on April 1, 2021 and the previous financings of the Company which closed on March 24, March 31, and April 29, 2021 collectively will constitute a Reverse Takeover pursuant to the policies of the TSXV and the Company intends to file a management information circular (the "Circular") in connection with the Proposed Transaction.

The Proposed Transaction may require sponsorship under the policies of the TSXV unless an exemption from sponsorship is granted. The Company intends to apply for an exemption from sponsorship requirements of the TSXV in connection with the Proposed Transaction. There can be no assurance that such exemption will ultimately be granted.

#### Management of the Resulting Issuer

Following the completion of the Proposed Transaction, the parties anticipate that the current Board of Directors and management of the Company will resign, with the exception of Mr. David Robinson, remaining as the Chief Financial Officer of the Company, and Kyle Hookey, Chief Executive Officer of the Company, as he will step down from his role and transition as a Director. It is proposed that the following persons will be appointed, in the capacities listed below. Brief biographies of the proposed nominees are as follows:

Richard Tremblay, Chief Executive Officer and Director - Richard has over 15 years of experience in the resource business sector. In 2006 he entered the venture capital and junior resource markets industry and founded Golden Ears Consulting Ltd. Later, he worked for both public and private companies in sales of geophysical surveys, investor relations/corporate communications and corporate development. Richard has assisted in raising capital for several public and private companies across different sectors and was named CEO of Pacific Potash Corporation in February 2012. His long and varied experience throughout his career has provided him with a strong work ethic which he brings to Allied Copper, as well as the tools to evaluate and navigate the complex workings of an emerging public company.

Warner Uhl, Chairman - Warner brings more than 30 years of experience as a senior mining professional to the Company, as he has worked in executive management with mining, construction, and engineering companies to help bring resource projects from feasibility to commissioning. He has been involved in all stages of mine development and operations as a Silver King Property Director at Iamgold, Senior Vice President Technical Services at Procon Mining and Tunneling, Chief Silver King Property Officer at KGHM International and Manager of Mining and Metals at Leighton Contractors in Australia. Silver King Property's include managing the underground expansion of a Diamond Mine in Canada's Northwest Territories and a \$1.8 billion Iron Ore expansion in Australia. Warner oversaw the feasibility and construction of the first new mine in British Columbia in 15 years and recently a new \$2.2 billion gold mine in Ontario. As Chief Silver King Property Officer of the International branch of one of the largest copper producers in the world, he oversaw development into Canada, the United States, and Chile. Warner has a proven track record of successfully taking projects from concept to operations, and he improves project NPVs through his experience and trade-off studies to find significant life cycle value. He has been active in working with First Nations Groups in promoting training and business partnerships and holds a Master of Business Administration, is a Certified Risk Manager, a Certified Safety Officer, and is a Silver King Property Management Professional.

David Eaton, Director - David started in the capital markets in 1981 as a floor trader at the Vancouver Stock Exchange. Throughout his career he has been active in all aspects of the corporate finance industry, consulting to both public and private companies in the areas of investor relations, financing and corporate transactions. David's experience and involvement in businesses spans many industries including real estate, mining, tourism, retail, manufacturing and marketing and distribution. David served as CEO of [Jayden Resources Inc.](#) and as a Director or consultant to many Canadian public companies including Novo

Resources Corp., Confederation Minerals Ltd. and Kariana Resource Inc. Currently, David serves as the Chairman of Baron Global Financial Canada Ltd.

Kyle Hookey, Director - Kyle has over 10 years of experience in the capital markets, his efforts are focused on advising clients on equity and debt portfolios, public market M&A transactions and broad asset allocation mandates. His previous work experience includes Goldman Sachs JBWere and Euroz Securities, and he is a Member of the CFA Institute.

Campbell Smyth, Director - Campbell has fifteen years of experience in managed portfolio investing (in both mutual and hedge funds) and over twenty-five years of experience in corporate financing and capital raising. He currently serves as Chairman and Director of Norseman Silver and as a Director of [Nubian Resources Ltd.](#), both listed on the TSX Venture Exchange. Campbell has a Bachelor of Commerce degree from the University of Western Australia in 1990, he holds the designation of an authorized securities representative granted by the Australian Securities and Investments Commission as of 2001, and he is a member of the Australian Institute of Company Directors.

The Company hopes to welcome the new board members with their recognized leadership, tactical capital markets expertise and wealth of technical and development experience, as strategic forces for the growth and progression of Allied Copper on this exciting new phase.

#### Annual and Special Meeting

In connection with the Proposed Transaction, the Company will call an annual and special shareholder meeting (the "Meeting"), to approve, among other things, the Proposed Transaction and appointing new directors of the Company. Further details of the Meeting will be described in a management information circular of the Company.

#### Related Party Transaction

David Robinson, Chief Financial Officer and a director of the Company and Kyle Hookey, Chief Executive Officer of the Company hold 500,000 and 333,333 common shares in the capital of BCCo, respectively, representing approximately 7.47% and 4.98 %, respectively, of the issued and outstanding commons shares of BCCo. As a result, the Proposed Transaction constitutes a "related party transaction" as defined in Multilateral Instrument 61-101 - Protection of Minority Securityholders in Special Transactions ("MI 61-101"). Messrs. Robinson and Hookey currently hold 66,667 and 88,888 common shares in the capital of the Company, respectively, representing approximately 0.36% and 0.48%, respectively, of the issued and outstanding common shares of the Company. In connection with the Proposed Transaction Messrs. Robinson and Hookey will receive 500,000 and 333,333 Consideration Shares, respectively, resulting in Messrs. Robinson and Hookey holdings in the resulting issuer being 566,667 and 422,221 common shares, respectively, representing approximately 1.6% and 1.2 %, respectively, of the outstanding common shares assuming completion of the Proposed Transactions and Offering. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the Company is not listed on one of the markets specified in MI 61-101 and the fair market value of the Consideration Shares to be issued to the insiders of the Company does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

#### Qualified Person

Rory Kutluoglu, P. Geo., a Qualified Person (the "Qualified Person") as such term is defined by National Instrument 43-101 - Standards of Disclosure for Mineral Silver King Property, has reviewed and approved the geological information reported in this news release. The Qualified Person has not completed sufficient work to verify the historic information on the Silver King Property, particularly with regards to historical sampling and regional government-mapped geology. However, the Qualified Person assumes that sampling and analytical results were completed to industry standard practices. The information provides an indication of the exploration potential of the Silver King Property but may not be representative of expected results.

#### About Allied Copper

[Allied Copper Corp.](http://www.alliedcoppercorp.com) is a mineral exploration company focused on acquiring and developing potential long-life, scalable, copper-gold assets in the Western United States. The Company's strategy is to focus on low cost and potential high growth operations over a multi-year growth pipeline in low-risk jurisdictions, and is committed to operating efficiently and with transparency in all areas of the business. Allied Copper headquarters are in Vancouver, BC, Canada and lists under the symbol CPR on the TSX Venture Exchange. Readers may sign up for updates on the Company's website [www.alliedcoppercorp.com](http://www.alliedcoppercorp.com).

For further information, please contact:

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#### Forward-Looking Statements

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.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

Completion of the transaction contemplated by the Definitive Agreement, the issue price of the securities in connection with the Offering, the terms of the Subscription Receipts and the units (and securities being offered) and the closing of the Offering is subject to a number of conditions, including but not limited to, TSXV acceptance and, if applicable, disinterested shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the contemplated transaction or the Offering 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 contemplated transactions 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 TSXV has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release. Further details of the transaction contemplated by the Definitive Agreement will be included in subsequent news releases and disclosure documents to be filed by the Company.

The information contained herein contains "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; political and regulatory risks associated with mining and exploration; risks related to the maintenance of stock exchange listings; risks related to environmental regulation and liability; the potential for delays in exploration or development activities or the completion of feasibility studies; the uncertainty of profitability; risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; results of prefeasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; risks related to commodity price fluctuations; and other risks and uncertainties related to the Company's prospects, properties and business detailed elsewhere in the Company's disclosure record. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Investors are cautioned against attributing undue certainty to forward-looking statements. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from the Company's expectations or projections.

[1] <https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2020.pdf>

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