

# Northern Lights Resources Corp. Raises Up to US\$2 Million to Expand Exploration at Secret Pass

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VANCOUVER, May 28, 2021 - [Northern Lights Resources Corp.](#) ("Northern Lights" or the "Company") (CSE:NLR)(OTCQB:NLRCF) is pleased to announce that it has entered into a financing agreement (the "Agreement") with Precious Metals Capital Group, LLC ("Investor"), a U.S.-based institutional investor, in connection with an issuance by the Company of unsecured zero-coupon non-redeemable convertible securities (each, a "Convertible Security") to raise aggregate gross proceeds of up to US\$2,000,000 (approximately C\$2,425,760) (the "Transaction").

Northern Lights, CEO, Jason Bahnsen commented "We are extremely pleased to complete this funding agreement with Precious Metals Capital Group. This transaction represents the first funding of a Canadian based company by Precious Metals Capital Group and provides Northern Lights with funding to expand the Company's current 2021 exploration program at our 100% owned Secret Pass Gold Project in Arizona. Concurrent with exploration at Secret Pass, NLR will soon be announcing the upcoming exploration program at our Medicine Springs silver project in Nevada where Northern Lights is exploring in joint venture with Reyna Silver Corp."

At the initial closing of the Transaction, the Investor will (subject to satisfaction of certain conditions) purchase a Convertible Security from the Company with a principal amount of US\$890,000 for a purchase price of US\$800,000. The initial closing is expected to occur in the next week. Additional convertible securities having an aggregate principal amount of US\$1,200,000 may be purchased by the Investor from the Company with its consent by the first anniversary of the initial closing.

Each Convertible Security will have a term of 24 months, a zero coupon or interest rate, and a mandatory 100% conversion and subject to the satisfaction of certain conditions be convertible into common shares of the Company (the "Shares"), in whole or in part, at the option of the Investor, at a fixed conversion price of C\$0.06 per share (the "Conversion Price").

In the event that the prevailing Share price, as determined below, at the time a conversion is greater than the Conversion Price, the Company may elect to reduce the number of Shares issuable in that conversion by utilising the prevailing (and more beneficial to the Company) Share price as the conversion price instead of the Conversion Price. The "prevailing Share price" will be determined by the Investor as 85% of the average of five daily volume-weighted average prices of the Shares on the CSE during the 20 consecutive trading days immediately prior to the date of the notice of conversion, rounded down to one tenth of a cent if the prevailing Share price is less than 20 cents, or half a cent if the prevailing Share price is greater than 20 cents.

Alternatively, in the event that the prevailing Share price is less than the Conversion Price, the conversion will occur at the Conversion Price, and the Company will pay the Investor an amount equal to the value of Shares foregone as a result of the conversion price being the Conversion Price rather than the prevailing Share price. The Company may elect to make this payment in Shares in lieu of cash, in its sole discretion. The Company will have a cash repayment right in relation to any conversion so that, instead of issuing conversion shares, the Company may, at its option, make a payment to the Investor equal to the number of Shares that would have otherwise been issued in the conversion multiplied by the greater of the Conversion Price, the prevailing Share price, and the market value of the Shares at that time.

The Investor has agreed to certain, substantial, limitations on its ability to dispose of the Shares following a conversion of the Convertible Securities. The Investor is also contractually precluded from shorting the Shares.

The Company will make an initial issuance of 1.8 million conversion Shares to the Investor at the time of the

initial closing, towards the ultimate number of Shares to be issued in the conversion of the Convertible Securities. Alternatively, in lieu of applying these Shares towards the aggregate number of the conversion Shares to be issued by the Company, the Investor may make a further payment to the Company equal to the value of these Shares determined using the prevailing Share price, as determined above, at the time of the payment.

The Company will issue 3,122,743 Shares to the Investor in satisfaction of a fee. In addition, the Company will issue 2.8 million warrants with an exercise period of 48 months from the date of issue (the "Warrants") to the Investor entitling the Investor (or any subsequent holder of the Warrants) to subscribe for one Share per Warrant at the exercise price equal to C\$0.068509.

Proceeds from the Transaction will be used for funding exploration activities on the Company's projects and for general working capital purposes.

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About Northern Lights Resources Corp.

[Northern Lights Resources Corp.](#) is a growth-oriented exploration and development company that is advancing two projects: The 100% owned, Secret Pass Gold Project located in Arizona; and the Medicine Springs silver-zinc-lead Project located in Elko County Nevada where Northern Lights, in joint venture with Reyna Silver are earning 100% ownership.

Northern Lights Resources trades under the ticker of "NLR" on the CSE. This and other Northern Lights Resources news releases can be viewed at [www.sedar.com](http://www.sedar.com) and [www.northernlightsresources.com](http://www.northernlightsresources.com).

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:** This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the proposed private placement; use of funds; the business and operations of the Company after the proposed closing of the Offering. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; and the uncertainties surrounding the mineral exploration industry. There can be no assurance that such statements 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 statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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