

# Apollo Gold & Silver Closes Amalgamation with Stronghold and Creates Significant US Pure Silver Exploration and Development Company

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VANCOUVER, July 09, 2021 - [Apollo Gold & Silver Corp.](#) ("Apollo" or the "Company") (TSX.V: APGO) is pleased to announce it has closed the amalgamation transaction and has acquired all the issued and outstanding shares (the "Transaction") of privately held Stronghold Silver Corp. ("Stronghold"). Apollo, through its 100% owned Stronghold subsidiary now holds rights to three large scale silver projects: Waterloo and Langtry in California and The Silver District in Arizona. With the closing of the Transaction Apollo has become a leading US focused silver exploration and development company.

## Highlights:

- A US based pure silver opportunity with three advanced assets in mining friendly regions of Southeast California and Arizona;
- Over 100 million ("M") ounces of silver in one of three historic resources<sup>(1)</sup>. Significant exploration upside;
- As announced on July 7, 2021, the successful closing of a brokered \$52.9 M financing provides significant capital to advance the Company.

The Apollo silver assets represent some of the largest, undeveloped, advanced silver projects in the US. In addition, the assets are silver-barite systems with 10-12% barite, a mineral deemed critical to the US economy and sourced primarily through importation, with China being the major supplier.

Commenting on today's announcement, Apollo Chairman, Andrew Bowering said, "The closing of this amalgamation is a major achievement and the realization of a transformation step in our vision to become the next mid-tier US silver producer."

Tom Peregoodoff, CEO, commented, "I am very pleased to announce the unconditional closing of the Apollo-Stronghold amalgamation. It is the culmination of the hard work of a number of people whom I wish to thank. I also wish to acknowledge the tremendous support we received from current shareholders and welcome the new institutional backers who strongly support the financing. I very much look forward to working with all stakeholders as we deliver on our stated objective of creating an intermediate US focused pure silver company and realize the value of our portfolio of high-quality advanced silver assets."

## Terms of the Transaction:

With the close of the Transaction, Apollo has issued a total of 40 M common shares to Stronghold shareholders at a share exchange ratio of one Apollo common share for one Stronghold common share or warrant (the "Exchange Ratio"). The shares issued by Apollo to Stronghold shareholders are subject to various seed share resale restrictions imposed by the TSXV. Apollo will also be assuming 5,010,638 warrants of Stronghold (the "Stronghold Warrants"). The Stronghold Warrants will now, in accordance with their terms, be exercisable into common shares of Apollo at an exercise price of US\$0.20 per Stronghold Warrant.

As part of the closing of the Transaction, the previously issued 70,533,334 subscription receipts of Apollo, which were issued pursuant to a private placement financing completed on July 6, 2021, each converted into one common share of Apollo and one half of one common share purchase Warrant (each whole warrant, a "Warrant"). In connection with the Transaction, the Company issued 70,533,334 common shares and 35,266,667 Warrants. \$49.7 M was released to Apollo. James Hynes, the former CEO of Stronghold, has been appointed as a director of the Company effective on the closing of the Transaction.

(1) See Cautionary Note regarding historic mineral resources presented below in Table 1. Reference to historic resources at Waterloo refer to Kirkpatrick, R.K, 1966, Waterloo Ore Reserve, Calico Mining District, Asarco Inc. Internal Report, dated December 1, 1966 and Waterloo Project, internal company report prepared by Pan American Minerals Corp., dated 2013, unpublished. Reference to historic resources at Langtry refer to Moran et al, 2012, NI 43101 Technical Report, Langtry Silver Project, San Bernardino County, California: prepared for Athena Silver Corp, April 2012. Reference to historic resources at Arizona Silver District refer to Fox, 1991, Summary Report, Orbex internal Company report, 1991, unpublished and NV Gold Corporation, 2020, Company news release dated January 13, 2020 [Online] available at <https://www.nvgoldcorp.com/news/nv-gold-signs-binding-loi-for-option-to-acquire-10-1788/>, [Accessed April 30, 2021].

Table 1 Historic Mineral Resources

Property	Source	Category	Grade	Tonnes	Cutoff	Ounces
Waterloo	Pan American 2013	Unclassified	86 g/t Ag	37,079,349	20 g/t Ag	102,953,457
Langtry	Moran et al., 2012	Indicated	1.48 opt Ag	12,700,000	0.76 opt Ag	18,809,000
		Inferred	1.40 opt Ag	30,400,000	0.76 opt Ag	42,623,000
Arizona Silver NV Gold Corp, 2020		Unclassified	4.46 opt Ag	3,560,211	Unconstrained	15,883,500

The historical mineral resources discussed in this press release were calculated prior to the implementation of the standards set forth in NI 43-101 and current CIM standards for mineral resource estimation (as defined by the CIM Definition Standard on Mineral Resources and Ore Reserves dated May 10, 2014). The reader is cautioned not to treat them, or any part of them, as current mineral resources or reserves. The estimates do not classify the resource as either a measured, indicated or inferred resource and, accordingly, readers should not assume it satisfies the requirements of any of such classifications. There is insufficient information available to properly assess the data quality, estimation parameters and standards by which the estimates were categorized. An independent Qualified Person ('QP'), has not done sufficient work to classify the estimate discussed as current mineral resources or reserves and therefore the estimate should be treated as historical in nature and not current mineral resources or mineral reserves. The historical resources have been included simply to demonstrate the mineral potential of the projects. A thorough review of all historical data performed by a QP, along with additional exploration work to confirm results, would be required in order to produce a current mineral resource estimate for all projects.

#### About the Stronghold Assets:

Pursuant to various option agreements, Stronghold holds the right to acquire a 100% interest in The Waterloo, Langtry and Arizona Silver District Projects. For further details please see press release dated May 12, 2021.

#### Waterloo and Langtry

The Waterloo and Langtry projects are located in the historic mining district of Calico located 16 kilometres ("km") from Barstow California in San Bernardino County. Once the largest silver producing region in the United States (1882 - 1940), the project has had significant exploration work performed by previous operators including: Asarco (1964 - 1994) and Pan American Silver (1994 - 2020) at the Waterloo Project; and Superior (1967-1987) and Athena (2012-2020) at the Langtry Project.

#### The Waterloo Purchase Agreement

Stronghold USA, as Purchaser, and Pan American Minerals Inc (a wholly owned subsidiary of Pan American Silver Corp) ("Pan American"), as Vendor, entered into an asset purchase agreement dated January 22, 2021 (the "Waterloo Purchase Agreement") which gave Stronghold the right to purchase 100% interest in the Waterloo Project for a consideration of US\$25,000,000 (the "Base Purchase Price"). Stronghold USA and Pan American have entered into subsequent amendments extending the closing of the transaction to July 12, 2021. Pan American will retain a 2% Net Smelter Royalty on any future production of minerals from the project. To date, a total of US\$5,250,000 has been paid to Pan American, including US\$2,750,000 in deposits that will be credited against the Base Purchase Price.

In addition, within 15 days of the close of the Transaction, Apollo will issue to Pan American notice providing

Pan American with ten business days to elect to receive either 1) an additional US\$6,000,000 in cash or 2) the equivalent of US\$6,000,000 in common shares of Apollo at the higher of: (i) the 10-day VWAP calculated 10 trading days following the close of the Transaction; and (ii) \$0.71 per share.

## The Langtry Option Agreements

### *Athena Agreement*

Stronghold as optionee and Athena Minerals Inc ("Athena", a wholly owned subsidiary of Athena Silver Corporation) as optionor entered into an Option to Purchase Agreement dated December 21, 2020 which gives Stronghold the right to acquire 100% interest in certain lands forming a portion of the Langtry Project for an aggregate purchase price of US\$1,000,000 to be made on or before December 21, 2025.

### *Strachan Agreement*

Stronghold USA, as optionee, and Bruce D. Strachan and Elizabeth Strachan as Trustees of the Bruce and Elizabeth Strachan Recoverable Living Trust dated 7-25-2007, as optionor entered into an Option to Purchase Agreement dated December 23, 2020 (the "Strachan Agreement") which gives Stronghold the right to acquire 100% interest in lands forming a portion of the Langtry Project for the aggregate purchase price of the greater of 1) US\$5,200,000 or 2) spot price of 220,000 troy ounces of silver, on or before December 24, 2025.

## Arizona Silver District Project

This district-scale property position is located in the heart of the historic Silver District in Southwest Arizona. The project covers over 2,000 acres and includes mineral title covering three major epithermal vein structures (West, Central, East), having a collective strike length of 13 kms. Previous drilling is limited to approximately 45 m vertical depth opening up significant discovery potential.

Stronghold USA as optionee and Gulf + Western Industries Inc ("Gulf"), as optionor, entered into an Option to Purchase Agreement dated January 22, 2021 which gives Stronghold the right to acquire 100% interest in lands forming the Arizona Silver District Project for an aggregate purchase price of US\$1,970,000 in cash and shares of Apollo, to be made on or before January 22, 2026. Any share issuances to Gulf are subject to the prior approval of the TSXV. The Company may also be required to make additional cash payments to Gulf of up to US\$3.5 million and issue USD\$500,000 in common shares, if certain milestones are met.

## Qualified Person

Dean Besserer, Vice President Exploration, is a Qualified Person as defined by National Instrument 43- 101 and has reviewed and approved the technical content in this news release.

## About Apollo Gold and Silver Corp.

[Apollo Gold & Silver Corp.](#) has assembled an experienced and technically strong leadership team who have joined to advance world class precious metals deposits in tier-one jurisdictions. The company is focussed on advancing it's portfolio of three significant pure silver development projects; the historical Waterloo and Langtry Deposits, in San Bernardino California and Silver District Project in Arizona with significant historic drilling database with large exploration upside with new unexplored land packages.

## ON BEHALF OF THE BOARD OF DIRECTORS

Tom Peregoodoff  
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#### Cautionary Statement Regarding "Forward-Looking" Information

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in the Company's periodic filings with Canadian securities regulators. When used in this news release, words such as "will", "could", "plan", "estimate", "expect", "intend", "may", "potential", "appear", "should," and similar expressions, are forward-looking statements.

Although [Apollo Gold & Silver Corp.](#) has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this news release, and the Company disclaims any intention or obligation to update or revise such information, except as required by applicable law.

#### Cautionary Statement Regarding Historic Estimates

Any reference to historical estimates and resources should not be relied upon. These are not current and a Q.P. has not done sufficient work to classify these historical estimate and Apollo is not treating the historical estimate as a current resource estimate. This document uses the terms "resources", "measured resources", "indicated resources" and "inferred resources". United States investors are advised that, while measured resources, indicated resources and inferred resources are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission (the "SEC") does not recognize them Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations, however, the SEC normally only permits issuers to report "resources" as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in this release may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC. National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Historical resource estimates contained in this document have not been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System.

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