

# Mainstream Minerals Corp. Announces Closing of Private Placement

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Toronto, Oct. 5, 2021 - [Mainstream Minerals Corp.](#) (the "Company") is pleased to announce that further to its press release of September 14, 2021, the Company has completed a non-brokered private placement of 63,707,024 subscription receipts (each, a "Subscription Receipt") at a price of \$0.40 (the "Issuance Price") per Subscription Receipt for aggregate gross proceeds of \$25,482,809.79 (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 Capital Transfer Agency ULC (the "Escrow Agent"), pursuant to the terms of a subscription receipt agreement (the "Subscription Receipt Agreement") dated October 4, 2021 (the "Offering Closing Date") among the Company 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 \$0.50 per Warrant Share for a period of five (5) years following the date of issuance, subject to adjustments in certain events.

The Escrow Release Conditions are as follows:

- The receipt of all required corporate, shareholder and regulatory approvals in connection with the Offering and the transaction contemplated by the share purchase agreement dated September 14, 2021 (the "Share Purchase Agreement"), with Radio Fuels Resources Corp. ("Radio Fuels") and the shareholders of Radio Fuels (collectively, the "Vendors"), pursuant to which the Company has agreed to acquire all of the issued and outstanding shares of Radio Fuels (the "Transaction");
- The completion or the satisfaction of all conditions precedent to the Transaction, substantially in accordance with the definitive agreements relating to the Transaction; and
- 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 180 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 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, the Company 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 for general corporate purposes. The Subscription Receipts issued pursuant to the Offering will be subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation.

In connection with the Offering and upon conversion of the Subscription Receipts, the Company will pay certain eligible persons (the "Finders") a cash commission of \$392,090, equal to 5% of the gross proceeds of the Offering delivered by the Finders and issued 865,850 broker warrants ("Broker Warrants"), equal to 5% of the number of Subscription Receipts delivered by the Finders pursuant to the Offering. Each Broker Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.40 per Common Share for a period of one (1) year from the date of issuance. In addition, the Company paid certain eligible persons advisory fees in the aggregate of \$460,050 and were issued an aggregate of 1,133,857 Broker Warrants.

In addition, in connection with the Offering the Company engaged Canaccord Genuity Corp. ("Canaccord") to act as its financial advisor for the Offering. As consideration for their services, the Company paid Canaccord

an advisory fee of \$40,000 satisfied through the issuance of 100,00 Subscription Receipts.

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.

**For further information, please contact:**

**[Mainstream Minerals Corp.](#)**

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*Completion of the transaction contemplated by the Share Purchase 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. 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 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.*

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