

TDG Gold Corp. Signs Definitive Agreement To Acquire Advanced Stage “Nueva Esperanza” Silver-gold Project in the Maricunga Belt, Chile

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WHITE ROCK, October 13, 2021 - [TDG Gold Corp.](#) (TSXV:TDG) (the "Company" or "TDG") is pleased to announce that it has entered into a binding, definitive agreement ("Agreement") between the Company and ASX-listed [Kingsgate Consolidated Ltd.](#) ("Kingsgate") for the acquisition of the advanced stage "Nueva Esperanza" silver-gold project, located in the Maricunga Belt of the Atacama Region of Northern Chile (the "Acquisition"). The Agreement supersedes the non-binding letter of intent announced June 29, 2021. (All dollar amounts are in Canadian Dollars unless specified otherwise.)

Nueva Esperanza

The Nueva Esperanza project is located in the northern half of the Maricunga Belt, 140 kilometres ("km") northeast of the city of Copiapo, which is a regional mining centre. It is situated at 4,000-4,200 metres ("m") elevation and encompasses three mining areas, Arqueros, Chimberos and Teterita, with permits for development and comes with associated water rights. On April 13, 2016, Kingsgate published a JORC prefeasibility study[1], including estimation of a mineral resource and mineral reserve titled "Nueva Esperanza Pre-feasibility Study" (see Kingsgate's announcement of the prefeasibility study on April 13, 2016).

In July 2020, the Nueva Esperanza project was granted Environmental Impact Assessment approval allowing the pre-development, construction and operation of the project (see Kingsgate's news release dated July 14, 2020).

TDG has completed extensive legal and technical due diligence reviews on the Nueva Esperanza project and concluded that the project offers an opportunity for significant value creation for TDG shareholders and other stakeholders, with the objective of transforming TDG into a silver-focused advanced exploration and development company.

As part of its due diligence, TDG commissioned Sue Bird, P.Eng. of MMTS (Moose Mountain Technical Services) to undertake an independent mineral resource estimate for the Nueva Esperanza project in accordance with NI 43-101. On July 08, 2021, TDG announced a current mineral resource estimate for the Nueva Esperanza supported by an independent NI 43-101 technical report.

Binding Agreement

Under the terms of the Agreement, the Acquisition is subject to certain closing conditions including, but not limited to, the concurrent equity financing being co-led by BMO Capital Markets and RBC Capital Markets (see TDG's news release of July 27, 2021), and the approval of the TSX Venture Exchange. Upon closing, the Acquisition would be transformative for TDG, creating a leading pure precious metals focused company with the ambition to rapidly advance both the Nueva Esperanza project in Chile and TDG's Shasta project in BC's Toodoggone Production Corridor to production decisions.

As a condition to the closing of the acquisition, TDG has agreed to raise a minimum of \$35,000,000 in an equity financing (the "Concurrent Financing"). Further announcements will follow in due course regarding the financing arrangements.

Key Transaction Terms

Under the terms of the Agreement, in exchange for 100% ownership of Kingsgate's Chilean subsidiary that holds the Nueva Esperanza project, TDG will pay to Kingsgate the following consideration:

- \$25,000,000 cash on closing, subject to certain working capital and other adjustments.

- 14.0% of TDG's outstanding common shares calculated on a post-closing basis (inclusive of any shares issued in a concurrent financing).
- Up to \$25,000,000 in future milestone payments, again subject to certain adjustments, of which up to \$10,000,000 may be settled in TDG common shares at TDG's discretion, with the applicable milestones as follows:
 - a cash payment of \$6,250,000 on or before the date that is three months following the date that TDG completes a feasibility study in respect of the Nueva Esperanza project;
 - at TDG's election, either a cash payment of \$5,000,000 or the issuance of 10,000,000 common shares on or before the date that a construction decision is made in respect of the Nueva Esperanza project;
 - at TDG's election, either a cash payment of \$5,000,000 or the issuance of 10,000,000 common shares on or before the first anniversary of the commencement of commercial production at the Nueva Esperanza project, as defined in the Agreement ("Commercial Production"); and
 - A cash payment of \$8,750,000 on or before the second anniversary of Commercial Production.

In connection with the Agreement, the Company will enter into an investor rights agreement with Kingsgate (the "Investor Rights Agreement") to grant Kingsgate certain rights to be set out in the Investor Rights Agreement, including that:

- So long as Kingsgate owns 10% or more of the issued and outstanding shares of TDG it will be entitled to designate one nominee to the Board of Directors of TDG.
- For 24 months following closing of the Agreement, Kingsgate will have the right to participate in the issuance of securities offerings to maintain its percentage interest and/or to increase its percentage ownership interest to up to 19.9% of then outstanding shares of TDG.

The Acquisition is subject to TSX Venture Exchange (the "Exchange") review and approval as well as other conditions precedent, including the completion of the Concurrent Financing. Subject to receiving confirmed orders to the Concurrent Financing in the amount of at least \$35,000,000 by October 31, 2021, and the payment by TDG of a non-refundable deposit to Kingsgate in the amount of \$500,000, the outside date for the completion of the Acquisition will be November 30, 2021, which date may be extended to December 15, 2021, if factors outside the reasonable control of TDG have prevented closing before November 30, 2021.

About TDG Gold Corp.

TDG is a major holder of mineral claims and mining leases in the historical Toodoggone Production Corridor of north-central British Columbia, Canada, with over 23,000 hectares of brownfield and greenfield exploration opportunities under direct ownership or earn-in agreement. TDG's flagship projects are the former producing, high-grade gold-silver Shasta, Baker and Mets mines, which are all road accessible, produced intermittently between 1981-2012, and have over 65,000 metres of historical drilling. In 2021, TDG proposes to advance the projects through compilation of historical data, new geological mapping, geochemical and geophysical surveys, and drill testing of the known mineralization occurrences and their extensions. The Company has entered into a binding agreement to acquire the Nueva Esperanza silver-gold advanced exploration and development project located in the Maricunga Belt of northern Chile, subject to closing conditions being satisfied. TDG currently has 70,867,903 common shares issued and outstanding.

ON BEHALF OF THE BOARD

Fletcher Morgan
Chief Executive Officer

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Neither 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.

This press release contains forward looking statements within the meaning of applicable securities laws. The use of any of the words "ambition", "estimate", "concluded", "offers", "objective", "may", "will", "should",

"potential" and similar expressions are intended to identify forward looking statements. In particular, this press release contains forward looking statements concerning the completion of the proposed acquisition of the Nueva Esperanza project, the completion of concurrent equity financing, and the potential development of the Nueva Esperanza project and the Company's existing mineral properties, including the completion of feasibility studies or the making of production decisions in respect thereof. Although the Company believes that the expectations and assumptions on which the forward looking statements are based are reasonable, undue reliance should not be placed on the forward looking statements because the Company cannot give any assurance that they will prove correct. Since forward looking statements address future events and conditions, they involve inherent assumptions, risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of assumptions, factors and risks. These assumptions and risks include, but are not limited to, assumptions and risks associated with the completion of other conditions precedent to the Acquisition, including the receipt of regulatory approvals, the state of equity financing markets, and results of future exploration activities by the Company.

Management has provided the above summary of risks and assumptions related to forward looking statements in this press release in order to provide readers with a more comprehensive perspective on the Company's future operations. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive from them. These forward looking statements are made as of the date of this press release, and, other than as required by applicable securities laws, the Company disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise.

[1] JORC (Joint Ore Reserves Committee) standards are not in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and the prior mineral resource, mineral reserve and results of the study should therefore be treated as historical information and should not be relied upon.

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