

SolidusGold Enters into Letter of Intent with Valhalla Metals Inc. for a Proposed Reverse Takeover

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Vancouver, November 29, 2021 - [SolidusGold Inc.](#) (TSXV: SDC) ("Solidus" or the "Company") is pleased to announce that it entered into a non-binding letter of intent whereby the Company will acquire all of the issued and outstanding securities of Valhalla Metals Inc. ("Valhalla") by way of a share exchange, amalgamation or such other form of business combination as the parties may determine in a definitive agreement to be negotiated between the parties, details of which will be provided in a subsequent news release.

Upon successful completion of the proposed acquisition of the securities of Valhalla (the "Transaction"), it is anticipated that the Company will maintain its listing as a Tier 2 Mining issuer on the TSX Venture Exchange ("TSX-V") and will carry on the combined business of Solidus and Valhalla (the "Resulting Issuer"). The Transaction would constitute a 'reverse takeover' of the Company pursuant to Policy 5.2 of the TSX-V. Following completion of the Transaction but prior to the completion of any concurrent private placement as discussed below, shareholders of Solidus would hold approximately 20% of the Resulting Issuer with shareholders of Valhalla holding the remaining 80%.

Transaction Summary

Pursuant to the Transaction, the Company expects to issue approximately 50,000,000 post-Consolidation (as defined below) common shares ("Solidus Shares") to the holders of common shares in the capital of Valhalla ("Valhalla Shares"), with such Solidus Shares being issued to the Valhalla shareholders on a pro rata basis.

No advances to be made by the Company to Valhalla are contemplated by the letter of intent and no finder's fees are expected to be payable in connection with the Transaction.

The Transaction is subject to a number of terms and conditions, including, but not limited to, the parties entering into a definitive agreement with respect to the Transaction on or before December 31, 2021, or such other date as the parties may agree (such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature), the completion of satisfactory due diligence investigations, the completion of a private placement by the Company as further described below, the completion of the Consolidation and the approval of the TSX-V and other applicable regulatory authorities. All dollar figures referenced herein, unless otherwise specified, refer to Canadian dollars.

Trading in the Solidus Shares will remain halted pending the satisfaction of all applicable requirements of Policy 5.2 of the TSX-V. There can be no assurance that trading of Solidus Shares will resume prior to the completion of the Transaction. Further details concerning the Transaction (including additional financial information) and other matters will be announced if and when a definitive agreement is reached.

Information Concerning Valhalla

Valhalla is a private exploration company incorporated under the laws of the State of Alaska, U.S.A. and based in Fairbanks, Alaska. Valhalla currently holds exploration projects concentrated in the Ambler Mining District of Alaska in the Brooks Range of NW Alaska, including the Sun and Smucker VMS Projects.

The Ambler District has had periodic exploration from the late 1890s through the 20th century by many

companies over time. In 1962, Bear Creek Mining Company, the exploration arm of Kennecott Copper Corporation (now part of Rio Tinto), initiated regional reconnaissance work throughout the entire Ambler District, including geologic mapping, stream-sediment sampling, and detailed follow-up work that included induced polarization-resistivity (IP) geophysics and drilling. Due to the success of finding massive sulfide deposits using this methodology, a staking rush in the district ensued, with companies such as Anaconda Mining Company ("Anaconda"), Bear Creek, Kennecott, Sunshine Mining Company, and Noranda, among others, acquiring parcels of ground in the Ambler District from the 1960s through the late 1970s.

Sun Project

The Picnic Creek massive sulfide prospect, located near the Sun deposit and presently part of the Sun project, was discovered in 1966 by Bear Creek through stream sediment, soil sampling and geologic mapping. Bear Creek subsequently drilled five holes at Picnic Creek. In 1974, during the staking rush in the Ambler district, Sunshine Mining Company staked what is now the Sun deposit following a regional stream-sediment sampling program. Sunshine Mining Company conducted geochemical sampling, geologic mapping, and IP surveying, in addition to drilling nine core holes on ~150-meter spacing in 1974.

Between 1974 and 1986, extensive exploration was conducted in the area that now encompasses the Valhalla Sun claim block, with a total of 49 drill holes drilled at the Sun deposit, Picnic Creek, and Hot claims by Noranda, Anaconda, Houston Oil and Minerals, Sunshine Mining and Cominco. Interest in the district waned and the claims were eventually relinquished by Cominco. Renewed activity began when Andover Resources acquired 25 claims over the main Sun deposit in 2007 and staked 205 additional claims in 2011 to cover the historical Picnic Creek and Hot claim areas. Between 2011 and 2014, Andover drilled 47 drill holes and completed a resource estimate in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") guidelines of the Sun and nearby SW Sun deposits, which was reported publicly in a 2013 technical report. In late 2017, the Sun project claims lapsed. Shortly thereafter, Valhalla Mining Inc. re-staked the Sun project and then transferred the claims to Valhalla Metals Inc. in 2018.

The 2013 historical Sun Project mineral resources published by Andover were reported as follows:

Classification	Tonnes	%Zn	%Cu	%Pb	g Ag/t	g Au/t	lbs Zn (x1000)	lbs Cu (x1000)	lbs Pb (x1000)	oz Ag	oz Au
Indicated	2,165,000	4.11	1.42	1.06	57.6	0.21	196,098	67,620	50,585	4,008,000	14,000
Inferred	11,648,000	3.91	1.14	1.37	76.8	0.24	1,004,947	292,671	351,247	28,776,000	89,000

This resource estimate was prepared by Michael Gustin of Mine Development Associates. The estimation process included the modeling of semi-massive to massive-sulfide zones on cross sections, manually modeling the mineralized limits of each of the five metals within these zones on the cross sections, refining the metal modeling on five-meter-spaced level plans, and interpolating metal grades into a block model, with the grade estimation constrained by the modeled mineralized limits of each metal as coded from the level plans. A gross metal value cut-off of \$75/tonne was used to define the resources in order to reflect the potential for underground mining. While the classification of the 2013 historical estimate is consistent with NI 43-101, key factors in the estimation are out of date, including metal prices, densities, and metal recoveries. Solidus considers this historical estimate to be relevant to investors, as it may indicate the presence of mineralization, but a 'qualified person' (within the meaning of NI 43-101) for Solidus has not done sufficient work to classify the historical estimate as current mineral resources as defined by NI 43-101, and the Company is not treating this historical estimate as a current mineral resource.

Subsequent to acquiring the Sun project, Valhalla, a private corporation, completed the following historical estimate of the Sun mineral resources in 2018 that was not publicly disclosed:

Classification	Tonnes	%Zn	%Cu	%Pb	g Ag/t	g Au/t	lbs Zn (x1000)	lbs Cu (x1000)	lbs Pb (x1000)	oz Ag	oz Au
Indicated	1,713,000	4.32	1.48	1.11	60.0	0.21	162,962	55,846	42,035	3,307,000	12,000
Inferred	9,018,000	4.18	1.21	1.46	81.7	0.25	831,334	239,643	290,258	23,681,000	73,000

The 2018 historical estimate, also completed by Mr. Gustin, was based on the 2013 modeling but utilized

updated metal prices, metal recoveries, and densities. The 2013 estimate uses categories that are consistent with NI 43-101. To upgrade this historical estimation to current mineral resources, key parameters, including but not limited to, metal prices, recoveries, and modeled densities, need to be verified. Solidus considers this historical estimate to be relevant to investors, as it may indicate the presence of mineralization, but a 'qualified person' (within the meaning of NI 43-101) for Solidus has not done sufficient work to classify the historical estimate as current mineral resources as defined by NI 43-101, and the Company is not treating this historical estimate as a current mineral resource.

Smucker Project

Smucker was first discovered in 1975 by Anaconda, and Cominco American Inc. (now Teck) acquired an interest in the property in 1994. Extensive exploration work was undertaken between 1978 and 1991, with 24 holes drilled by Anaconda. Anaconda completed a historical pre-feasibility in the 1980s which included an estimate of historical resources. Extensions of the mineralized horizon remain largely untested and open at depth as well as to the north, west, and south of the main Smucker deposit. The claims became abandoned in 2008. In 2011, Andover Resources located 58 claims covering an area that included the original Smucker deposit first discovered by Anaconda in 1975. The claims were abandoned in 2016 and Valhalla Mining LLC staked State of Alaska mining claims in 2017.

Additional information concerning the Sun VMS Project, which will be a material property to the Resulting Issuer, will be contained in a technical report to be filed by the Company in connection with the Transaction, which will be made available on Solidus' SEDAR profile at www.sedar.com.

Non-Arm's Length Parties and Exemptions under MI 61-101 (as defined below)

The Transaction involves "Non-Arm's Length Parties" (as defined under TSX-V policies), as a control person of Valhalla, Bonnie Broman, is an "Associate" (as defined under TSX-V policies) of Solidus' Chairman, Rick Van Nieuwenhuyse.

Sorin Posescu, President, CEO and a director of the Company, is also a Non-Arm's Length Party under TSX-V policies.

Mr. Posescu is the holder of 4,025 Valhalla Shares, representing 3.6% of the issued and outstanding Valhalla Shares. Accordingly, the issuance of Solidus Shares to Mr. Posescu as part of the Transaction consideration, constitutes a 'related party transaction' as defined in Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). In respect of such securities issuance, the Company is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 in reliance on sections 5.5(a) and 5.7(1)(a), respectively, of MI 61-101, as neither the fair market value of the securities to be issued to Mr. Posescu, nor the fair market value of the consideration therefor, exceeds 25% of the Company's market capitalization.

Management and Board of Directors of Resulting Issuer

Subject to the terms of a definitive agreement, it is anticipated that the board of the Company will continue as the board of the Resulting Issuer and that management of the Company will remain unchanged.

Rick Van Nieuwenhuyse, Chairman of the Board

Mr. Van Nieuwenhuyse has more than 40 years of experience in the natural resource sector and is currently the President and CEO of Contango Ore. Before joining Contango Ore, he was President and Chief Executive Officer of Trilogy Metals, currently developing the high-grade Upper Kobuk Mineral Projects located in the Ambler Mining District of Alaska in a 50/50 partnership with South 32 in a jointly owned company called Ambler Metals. Trilogy is a company which was created in 2012 as a spin-out from NovaGold, a well-known company he founded over 20 years ago. Previous to his role as Founder, President, and CEO of NovaGold, he held the position of Vice President of Exploration for [Placer Dome Inc.](#) from 1990 to 1997. In addition to his international exploration perspective, Mr. Van Nieuwenhuyse brings years of

working experience in and knowledge of Alaska. Mr. Van Nieuwenhuysen has managed projects from grassroots discovery through to advanced feasibility, production and closure. Mr. Van Nieuwenhuysen holds a Candidature degree in Science from the Université de Louvain, Belgium, and a Master of Science degree in Geology from the University of Arizona. He received the Thayer Lindsley award in 2009 for his role in the Donlin Gold discovery and the Colin Spence Award in 2016 for his role in the Bornite Discovery.

Sorin Posescu, President, CEO and Director

Mr. Posescu is a professional geologist with over 25 years of experience in natural resources exploration and development, including work on world class deposits including Donlin Gold and Galore Creek both with NovaGold. Subsequently, he participated in several discoveries in Nevada with Sierra Geothermal Power, sold to Ram Power in 2010. Mr. Posescu served as VP Exploration for Brixton Metals where during his tenure, the company made several discoveries. Mr. Posescu was instrumental in creating shareholder value when he acquired and subsequently sold the Kahuna Diamonds property to Dunnedin Ventures. Mr. Posescu is a registered Professional Geologist with the Association of Professional Engineers and Geoscientists of British Columbia, Alberta and Ontario. Mr. Posescu has worked for major to junior resource companies throughout Europe, USA and Canada. He has extensive experience in M&A and strong background in corporate and project valuation. Mr. Posescu has served on multiple boards as Director for both private and publicly traded resource development companies.

Joe Piekenbrock, Director

Mr. Piekenbrock brings over 40 years of experience in the mining exploration and development industry, during which he has managed all aspects of exploration from grassroots discovery through feasibility. From 2003 to 2011, he served as Vice President of Exploration for NovaGold Resources, and more recently served as Senior Vice President of Exploration for NovaCopper (now Trilogy Metals). He gained extensive experience throughout Latin America while working for Placer Dome, and was one of the founding members of Brett Resources. Earlier in his career, he was a member of the Cominco Alaska exploration team responsible for the discovery of the Whistler Cu deposit, the Sleitat Sn deposit, the Shotgun Au deposit, and the giant Pebble Cu-Au deposit. After joining the Nova group companies in 2003, he was instrumental in leading a series of major discoveries including the Donlin Creek Au and the Bornite Cu deposits in Alaska, and the Galore Creek Cu-Au porphyry deposit in British Columbia. He was awarded the Thayer Lindsley medal for International Discovery in 2009 for his role in the discovery of the Donlin Creek deposit, and the Colin Spence award for International Discovery in 2015 for his contributions to the discovery of the South Reef deposit at Bornite. Mr. Piekenbrock holds a Bachelor of Arts degree in Geology from the University of Colorado, and a Master of Science degree in Economic Geology from the University of Arizona.

Raj Chowdhry, Director

Mr. Chowdhry has over 30 years of experience in capital markets. He is the Founder and President of Futura Capital Ltd., a private venture capital company that has been involved in the venture capital business since 1981 and raises funds for various venture capital projects around the world. He is the former director of [Mountain Province Diamonds Inc.](#) and founding director and President of Camphor Ventures Inc. Mr. Chowdhry is currently Director, Officer, and Chairman of several public and private companies trading on global stock exchanges, including the TSX-V.

Kara Norman, CFO and Corporate Secretary

Ms. Norman has over 20 years of professional experience in non-profit, manufacturing, and resource exploration sectors. She is a chartered Professional Accountant (CPA, CMA).

Principals and Insiders of Resulting Issuer

In addition to the management and board individuals above, Bonnie Broman is expected to be a control person of the Resulting Issuer after completion of the Transaction.

Ms. Broman has over 15 years of experience in the natural resource sector most often working in remote

exploration sites throughout Alaska and Montana - including the Ambler Mining VMS District, the operating Nixon Fork high grade skarn gold mine, and the Black Butte Copper deposit. She has managed remote logistics and training on several projects, as well as having experience working with remote communities throughout Alaska. She has managed up to 20 geologists and geo-technicians in addition to planning and managing up to 5 drill rigs, as well as executing surface exploration programs, including mapping, geochemistry, and geophysics.

Ms. Broman has been responsible for target generation and geological modeling, in addition to QA/QC and database management. Database management includes designing logging systems to record all manner of geological, geochemical and geotechnical data, GIS data management, and QA/QC protocols, as well as manipulating data by using 3D modeling tools such as LeapFrog, ioGAS, ArcGIS, GeoSoft and Surfer, among others. She owns a consulting practice where her expertise includes geochemistry and mineralogy as it relates to geo-metallurgical studies of ore deposits around the world. In addition, she has several years' experience working in the environmental clean-up industry focused on assessment of site infrastructure related to re-development. Ms. Broman holds a Master's degree from the University of Alaska - Fairbanks completing a geochemical and geo-metallurgical study of the Arctic volcanogenic massive sulfide deposit located in the Ambler Mining District; and an undergraduate degree from Appalachian State University in North Carolina. Ms. Broman formed Valhalla Mining LLC in 2017.

Consolidation

The completion of the Transaction is subject to the completion by the Company of a consolidation of its listed common shares on a 5:1 basis (the "Consolidation").

Concurrent Private Placement

In connection with the Transaction, the Company intends to complete, subject to prior acceptance by the TSX-V, a private placement at a price and offering size to be determined in the context of the market, with pricing to not be below the 'Discounted Market Price' in accordance with TSX-V policies.

Additional details concerning the terms of the private placement will be provided in a subsequent news release.

The Company intends to use the net proceeds of the private placement to develop the business of the Resulting Issuer and for working capital and general corporate purposes.

This news release does not constitute an offer to sell and is not a solicitation of an offer to buy any securities in the United States. The securities of the Company and Valhalla have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws unless pursuant to an exemption from such registration.

Shareholder Approvals

In accordance with the Company's constating documents, shareholder approval of the Consolidation is not required.

The Company will seek disinterested shareholder approval of the Transaction, as well as any other shareholder approvals required with respect to creation of any new classes of securities necessary in connection with structuring the Transaction, at a meeting of Solidus' shareholders to be convened for such purpose. Due to the involvement of Non-Arm's Length Parties, Solidus Shares held by Rick Van Nieuwenhuysse and Sorin Posescu will be excluded from the Solidus shareholder vote on the Transaction.

Valhalla shareholder approval of the Transaction is expected to be obtained by way of written consent, with

the disinterested shareholders of Valhalla (i.e. Valhalla shareholders other than Bonnie Broman and Sorin Posescu) approving the Transaction.

Additional information concerning the Transaction, Solidus, Valhalla and the Resulting Issuer will be provided in the Company's management information circular in respect of the Solidus shareholders' meeting to be convened in connection with the Transaction, and which will be available under the Company's SEDAR profile at www.sedar.com.

Sponsorship

The Transaction is subject to the sponsorship requirements of the TSX-V unless the Transaction qualifies for an exemption in accordance with TSX-V policies or the Company applies for a waiver from the sponsorship requirements. There can be no assurance that the Transaction will be exempt, or a waiver will be granted. If an exemption from the sponsorship requirements is not obtained or a waiver is not granted, a sponsor will be identified at a later date, details of which will be provided in a subsequent news release. An agreement to act as sponsor in respect of the Transaction should not be construed as any assurance with respect to the merits of the Transaction or the likelihood of its completion.

Trading Halt

Trading in the Solidus Shares has been halted as of October 27, 2021 and will remain halted pending the satisfaction of all applicable requirements pursuant to Policy 5.2 of the TSX-V.

Name Change

Upon completion of the Transaction, the Company intends to change its name to such name as Valhalla and the Company may determine, and the parties expect that the TSX-V will assign a new trading symbol for the Resulting Issuer.

Qualified Person

The technical information contained in this news release has been reviewed and approved by Mr. Michael Gustin, PhD., C.P.G., of Mine Development Associates, a division of RESPEC, Reno, Nevada.

Forward-Looking Statements:

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, this news release contains forward-looking information relating to the Transaction, negotiation of a definitive agreement with respect to the Transaction, statements with respect to its completion (including obtaining necessary approvals), statements with respect to the board of directors and management of the Resulting Issuer, and the intended use of net proceeds from any concurrent private placement. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning the completion of the Transaction, the Consolidation and the concurrent private placement; and the use of net proceeds from such private placement. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based, are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Such factors which could materially affect such forward-looking information are described in the risk factors in the Company's most recent management's

discussion and analysis that is available on the Company's profile on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements included in this news release are expressly qualified by this cautionary statement. The forward-looking statements and information contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction 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 Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Solidus should be considered highly speculative.

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.

All information contained in this news release relating to Valhalla was provided by Valhalla to the Company for inclusion herein. The Company has not independently verified such information and shall bear no liability for any misrepresentation contained therein.

For more information on the Company, please contact [SolidusGold Inc.](#)

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