

# Fremont Signs Letter of Intent on Vardenis Cu-Au Property in Armenia; Stakes Prospective Lithium Targets in Nevada

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Vancouver, May 9, 2023 - [Fremont Gold Ltd.](#) (TSXV: FRE) (OTCQB: FRERF) (FSE: FR20) ("Fremont" or the "Company") is pleased to announce that it has signed a letter of intent pursuant to which it has been granted an option to acquire up to 100% interest in Mendia Resources Corp. ("Mendia"), an Armenian corporation, by Mendia's sole shareholder (the "Optionor"). Mendia holds the exploration license over the Vardenis copper-gold project in central Armenia.

Additionally, the company is pleased to announce the filing of 133 new claims in Nevada for the purpose of potentially advancing a world class Lithium resource. Initial geochemical results are expected before mid-year. Staking of other potential lithium prospects is ongoing.

## Vardenis Cu-Au Property

The Vardenis copper-gold property is a high-sulfidation, possible Cu-porphyry mineralized system formerly held by [Dundee Precious Metals Inc.](#) between 2015 and 2018. It occurs 25 kilometers along strike and in the same Eocene volcanic sequences which host the 3-million-ounce Amulsar gold deposit being developed by Orion Mine Finance, Osisko Gold Royalties and Resource Capital Fund.

The terms set out in the letter of intent provide Fremont with the exclusive option to acquire up to 100% of Mendia via staged option payments over 4.5 years. The staged payments are as follows:

- On completion of the definitive agreement ("Closing"), the Company shall pay US\$100,000 in cash and issue 500,000 Fremont common shares to the Optionor, and initiate specified exploration work on the Vardenis property, including a minimum of 2,500 meters of diamond drilling within 18 months; completion of which will earn the Company a 51% equity ownership interest in Mendia;
- 18 months following Closing, the Company shall pay an additional US\$150,000 in cash, issue 700,000 Fremont common shares to the Optionor, and initiate further exploration work on the Vardenis property, including an additional 5000 meters of drilling within 3 years following Closing; completion of which will earn the Company an additional 29% equity ownership interest in Mendia (for a total of an 80% equity ownership interest);
- 36 months following Closing, the Company shall pay an additional US\$100,000 in cash, issue 1,000,000 Fremont common shares to the Optionor, and initiate additional exploration work including a preliminary economic assessment (PEA) level study within 4.5 years following Closing; completion of which will earn the Company an additional 10% equity ownership interest in Mendia (for a total of a 90% equity ownership interest);
- Subsequent to the Company's acquisition of a 90% interest in Mendia, the Optionor has the right to retain a 10% interest in Mendia by contributing 10% of costs moving forward; If the Optionor declines this right, the Company has the option to purchase the remaining 10% equity in Mendia for \$US3,500,000 in either cash or equivalent in Fremont shares. If this option to purchase the remaining 10% is not exercised by the Company, and the Optionor does not meet their contribution commitments, the Optionor's residual interest in Mendia will be converted to a 1.0% net smelter return royalty once their interest falls below 5%.

Closing is subject to the satisfactory completion of due diligence and the execution of a definitive option agreement with the Optionor on or before June 20, 2023. The definitive agreement will include customary provisions, representations, covenants and conditions which are typical for a transaction of this nature as well as provisions relating to dilution, governance and the terms of the net smelter return royalty. Fremont as

the optionee, has the right to withdraw from the agreement at any time, with 30 day's written notice.

Closing will be subject to the approval of the TSX Venture Exchange.

#### Figure 1. Project Location

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#### Previous work on the Vardenis Property

Historic work on the Vardenis copper-gold property comprises early Soviet-era trenching and pits from the 1960s followed by more recent exploration undertaken by Canadian-based companies during the past decade. This recent work includes 1,246 meters of diamond drilling in seven holes, over 4,000 geochemical samples (both soils and streams), alteration mapping and trenching. This work has defined a NW-SE somewhat ring-shaped, gold-in-soil anomaly approximately seven kilometers in length, as well as a separate 3.6 x 2.0-kilometer copper anomaly located 1.4 kilometers to the south of the gold anomaly.

The seven drill holes were confined to a relatively small area on the western end of the gold anomaly. Four of those holes are just outside, but right along the edge of MENDIA's current license area (due to watershed issues). The best results of this limited program returned 11.9 m @ 1.92 g/t Au and 18 m @ 0.58 g/t Au in holes 2 and 6, respectively; the latter hole occurs within MENDIA's current license. Additionally, 15 trenches were excavated in a gold-anomalous area named the Archuk target on east side of the license. All trenches returned values averaging a minimum of 0.5 to >1 g/t Au, with a best result of 26m @ 3.65 g/t Au. This area has not been drilled.

#### Figure 2. Looking east with alteration draped over the topography

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#### Figure 3. Vardenis Gold-in-Soils Geochemistry on Geology

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#### Figure 4. Vardenis Copper soil geochemistry

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Fremont's President and CEO, Dennis Moore, commented, "After spending the better part of two years seeking opportunities in Armenia, Vardenis was chosen as one of the few projects that could create true shareholder value in a relatively short time frame. This project has decisive attributes which include:

- A large-scale mineralized system;

- Hosted in Armenia's most prospective Eocene volcanics, along strike from the 3M oz Amulsar gold deposit which is currently being developed;
- At-surface copper-gold mineralization within widespread high-sulfidation-style alteration;
- A plethora of previous data which identify significant, sizeable copper and gold anomalies;
- Only 1,246 meters of historical drilling.

These attributes make Vardenis a very attractive target indeed."

Figure 5. NW-SE profile showing Au soil geochemistry relative to elevation

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Mr. Moore continues, "The historic exploration work undertaken at Vardenis provides Fremont with a strong head start to efficiently and effectively advance the project. Drill targeting will obviously be more straight forward than if starting from scratch. The current plan is to undertake detailed short-wave infrared (SWIR) alteration mapping to determine the hot-spots within the mineralized system, possibly conduct an IP survey over the circular copper-moly anomaly, then integrate this data with the results of historic soil geochemistry in order to identify the best targets. We expect to conduct the initial drill program within 18 months. A current National Instrument 43-101 technical report is in the process of being completed."

Figure 6. Molybdenum soil geochemistry -- Note annular-shaped anomaly suggestive of porphyry mineralization

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Fremont is continuing to actively pursue additional projects in Armenia.

Lithium project in Nevada

The increased demand for lithium in the EV market has led to a rapid expansion of lithium exploration and attendant junior explorers in prospective jurisdictions such as Nevada, Argentina and Chile. This has led to the discovery of several world-class deposits in Nevada such as Rhyolite Ridge (Ioneer, INR-ASX) and the Thacker Pass deposit. The latter is owned by [Lithium Americas Corp.](#) (approx. \$3.2 billion market cap), and is located within the McDermitt caldera of northern Nevada.

As the Company has significant gold projects in Nevada, administered by a very experienced Nevada-based team, management decided to exploit this in-house expertise to search for prospective lithium deposits. Fremont's Nevada exploration group is headed by Vice President Dr. Clay Newton, a PhD structural geologist who has worked over 25 years in Nevada and explored for numerous commodities during his long career, including rare earths and lithium.

Dr. Newton explains, "In Nevada, there are two main types of lithium deposits - lithium brines and lithium-bearing clays. Lithium brines are found in closed evaporative basins in which there is ample water inflow into the basin but no outflow. Lithium, boron, and alkali elements are residually enriched as the playa lake water evaporates.

Lithium-bearing lake sediments, also common in arid evaporative basins, may also contain clays that are enriched in lithium and boron. The lithium may either be sourced from weathered and eroded felsic volcanic

rocks surrounding the basin or from intra-basin ash and felsic tuffs".

Dr. Newton continues, "Diamond Valley, in Eureka County, is a large completely enclosed basin, that in the past held large lakes as evidenced by terraces cut high into the surrounding hills. Surface water and shallow groundwater flows from south to north in the basin, converging in the northern end, where there is always a seasonal playa lake. The southern part of the valley has for generations provided ample fresh groundwater for farming irrigation. However, the northern end of the basin has been known for decades to host more caustic groundwater than the southern part. Water from the northern end of the basin exceeds safe drinking water standards for multiple chemical constituents and total dissolved solids (from Eureka County Water Resources Master Plan, 2016). Additionally, there are very abundant artesian springs in the northern part, bringing deeper water to the surface, and some of the springs are warm water, indicating geothermal heating, another important element for hydrothermal leaching of intra-basin ash.

The northern part of the basin has an enclosed gravity low anomaly (see figures below) suggesting a deep groundwater reservoir. Such depressions are known to host lithium brines, which because of their higher density than fresh water, sink into the depressions."

Figure 7. Diamond Valley in central Nevada, the green line defines the enclosed basin

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Figure 8. Location of Li-brine claims over gravity low in Diamond Valley

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Fremont has recorded 133 claims to date for lithium brines, covering the gravity low anomaly in the northern end of Diamond Valley, as shown in the figure above. Initial geochemical results are expected within four weeks.

Qualified person

The content of this news release was reviewed by Dennis Moore, Fremont's President & CEO, a qualified person as defined by National Instrument 43-101.

About Fremont

Fremont's mine-finding management team has assembled a portfolio of high-quality Nevada gold and lithium projects with the goal of making a new discovery. The Company has also been seeking world-class mineral opportunities within the central Tethyan belt of Armenia and Georgia. Besides Cobb Creek, Griffon, and Hurricane in Nevada, Fremont has applied for an exploration license over the Urasar area in northern Armenia.

On behalf of the Board of Directors,

"Dennis Moore"

Dennis Moore  
President and CEO, interim Chairman

[Fremont Gold Ltd.](#)

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