

Baru Gold Corp. Signs MoU for Production Operation Plus \$6 Million Cash

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[Baru Gold Corp.](#) (TSXV:BARU) | (OTC:BARUF) ("Baru" and its subsidiary PT. Tambang Mas Sangihe ("TMS") or the "Company") wishes to inform stakeholders and investors on the signing of a Memorandum of Understanding (MoU) that includes both financial and operational terms with mine contractor CV. Mahamu Hebat Sejahtera (the "Contractor"). The Contractor is a resident of Sangihe Island with previous mining experience.

The terms of the MoU state that the Contractor will pay the Company approximately CAD \$6 million over three months. In exchange, the Company grants the right to the Contractor to operate and produce gold for 5 years on 65 of the 42,000 ha within the Company's Contract of Work area.

On receipt of funds, the Company will license to the Contractor, a previously operating gold mine. The Contractor will manage and expand this operation, and fund all additional costs related to staffing, land acquisition, construction of the mining pit, heap leach pads, and reclamation. As the operations were previously producing gold, the time necessary to produce cash flow will be shortened considerably.

Under the terms of the MoU, the Contractor will receive 65% of the total gold recovered, and the Company will retain 35%.

This agreement does not prevent the Company from opening additional worksites within the Contract of Work area. The Company retains control of the Sangihe Project and will oversee and supervise all operations led by the Contractor. The Contractor must abide by the same environmental and reclamation standards required of the Company by Indonesian law.

The Company and Contractor are currently negotiating terms of the operating agreement, which may be subject to mutually agreed to changes from the MoU. The current negotiations have been productive, and the parties look forward to a conclusion being reached. All due diligence, by both parties, has been completed.

As this transaction involves no equity in the Company, the financial agreement is nondilutive to shareholders and the funds do not need to be repaid. There will be no administrative fees or commissions.

Mr. Terry Filbert, CEO of Baru Gold, commented, "I am thrilled at this opportunity with a household name on Sangihe. The contracting company is run by a family that have deep and lasting relationships on Sangihe. They have lived on the Sangihe for generations and are motivated to not only protect but improve the Island. The family are long-time and active participants in local community and political life, and have years of mining experience. In addition to providing the operational support and sufficient capital we require to be almost immediately in cash flow, this agreement is further evidence of our commitment to the people of Sangihe."

The Company is fully permitted and legally entitled to operate and produce gold on Sangihe Island. We are committed to doing so in safe manner following environmental regulations outlined in our Environmental Permit.

ABOUT SANGIHE GOLD PROJECT

The Sangihe Gold Project ("Sangihe") is located on the Indonesian island of Sangihe, off the northern coast of Sulawesi. Sangihe has an existing National Instrument 43-101 inferred mineral resource of 114,700

indicated and 105,000 inferred ounces of gold, as reported in the Company's "Independent Technical Report on the Mineral Resource Estimates of the Binebase and Bawone Deposits, Sangihe Project, North Sulawesi, Indonesia" (May 30, 2017). Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Company intends to proceed to production without the benefit of first establishing mineral reserves supported by a feasibility study. The Company cautions readers that the any production decision made by the Company will not be based on a NI 43-101 feasibility study of mineral reserves that demonstrates economic and technical viability and as such, there may be involved increased uncertainty and various technological and economic risks

The Company's 70-percent interest in the Sangihe-mineral-tenement Contract of Work ("CoW") is held through PT. Tambang Mas Sangihe ("TMS"). The remaining 30-percent interest in TMS is held by three Indonesian corporations. The term of the Sangihe CoW agreement is 30 years upon commencement of the production phase of the project.

Baru has met all the requirements of the Indonesian government and has been granted its environmental permit.

ABOUT BARU GOLD CORP.

[Baru Gold Corp.](#) is a dynamic junior gold developer with NI 43-101 gold resources in Indonesia, one of the top ten gold producing countries in the world. Based in Indonesia and North America, Baru's team boasts extensive experience in starting and operating small-scale gold assets.

[Baru Gold Corp.](#)

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recovery rates, refinery costs, and other relevant conversion factors, permitting and licensing risks; general market and mining exploration risks and production and economic risks related to design and engineering, manufacturing, technological processes and test procedures and the risk that the project's output will not be salable at a price that will cover the project's operating and maintenance costs. Forward-looking statements should not be construed as investment advice. Readers should perform a detailed, independent investigation and analysis of the Company and are encouraged to seek independent professional advice before making any investment decision. Accordingly, readers should not place undue reliance on any forward-looking statement. Except as required by applicable securities laws, the Company disclaims any obligation to update or revise any forward looking statements to reflect events or changes in circumstances that occur after the date hereof.

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