

Kenorland Minerals Converts 20% Joint Venture Interest in Frotet Project to 4.0% NSR Royalty

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Vancouver, January 16, 2024 - [Kenorland Minerals Ltd.](#) (TSXV: KLD) (OTCQX: KLDCF) (FSE: 3WQ0) ("Kenorland" or the "Company") is pleased to announce that it has entered into a definitive agreement dated January 15, 2024 (the "Agreement") with Sumitomo Metal Mining Canada Ltd. ("Sumitomo") to exchange the Company's 20% participating interest in the Frotet Project (the "Project"), located in Quebec, for a 4.0% net smelter return royalty (the "Frotet Royalty") on all minerals extracted from the Project. The transaction results in Sumitomo consolidating 100% ownership of the Project and termination of the joint venture agreement dated April 17, 2018 between Kenorland and Sumitomo.

Zach Flood, President and CEO of Kenorland commented, "Today marks the beginning of an exciting new chapter as we exchange our participating project interest for a substantial royalty interest covering the Frotet Project. This includes the high-grade Regnault gold discovery, which has been steadily advancing under our joint venture with Sumitomo over the past year. This strategic transaction is poised to deliver long term value for our shareholders and allows Kenorland to allocate its capital towards generating new discoveries elsewhere while preserving substantial upside in the Frotet Project and the Regnault gold discovery. Meanwhile, under consolidated ownership, Sumitomo can advance the development of the Project utilizing the resources of a larger mining company. We look forward to continuing our involvement in the Project as we transition operatorship over the next year."

Transaction Highlights

Exchange of Kenorland's 20% participating interest in the Frotet Joint Venture for a 4% net smelter return royalty covering the 39,365 hectare property.

The Frotet Royalty is subject to the following buy down rights in favour of Sumitomo:

- A 0.25% royalty interest may be purchased for a C\$3,000,000 cash payment to the Company within five (5) years of the grant of the Frotet Royalty upon the closing of the transaction.
- A 0.50% royalty interest may be purchased for a C\$10,000,000 cash payment to the Company within ten (10) years of the grant of the Frotet Royalty upon the closing of the transaction, provided Sumitomo has exercised the first buy down right.

In the event Sumitomo exercises the foregoing buy down rights, the Frotet Royalty would be reduced to an uncapped 3.25% net smelter return royalty on all minerals extracted from the Project.

Kenorland has agreed to remain the operator of the Project for at least one year following the transaction to facilitate a successful transition of operatorship to Sumitomo.

The transaction is subject to receipt of regulatory approvals, including the approval of the TSX Venture Exchange, and the satisfaction of transfer obligations pursuant to underlying agreements covering portions of the Project.

Additionally, as Sumitomo is the beneficial owner of more than 10% of Kenorland's outstanding shares, it is a "related party" to the Company within the meaning of Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("MI 61-101"). As such, the transaction constitutes a "related party transaction" within the meaning of MI 61-101.

The Company expects to rely on exemptions from formal valuation and the minority shareholder approval

requirements of MI 61-101 found in sections 5.5(a) and 5.7(1)(a) of MI 61-101 as the fair market value of the transaction does not constitute more than the 25% of the Company's market capitalization.

Figure 1. Map of the Frotet Project and Royalty

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/6489/194361_da839a3fd4629a40_001full.jpg

Exploration Update

The Fall 2023 exploration program, which commenced in mid-September (see press release dated September 20, 2023) concluded with the completion of 11,918m of drilling at the Regnault gold discovery along with a large-scale surface geochemical program covering targets directly to the east of Regnault. Complete assays results from drilling and the geochemical survey will be reported in due course. The upcoming 2024 winter drill program will begin later this month.

About the Frotet Project

The Project covers 39,365 hectares of the Frotet-Evans greenstone belt within the Opatica geological sub-province of Quebec. The property is adjacent to the past-producing Troilus Au-Cu mine (9.23Moz Au indicated resource) and covers several major deformation zones associated with known orogenic gold prospects, as well as stratigraphy hosting VMS deposits elsewhere in the belt. Kenorland initially staked the Project in 2017 and then entered into a Joint Venture and Earn-in Agreement with Sumitomo Metal Mining Co Ltd. in 2018.

The Project hosts the Regnault gold system, a greenfields discovery made by Kenorland and Sumitomo in 2020 following two years of systematic exploration. Since the initial discovery, Regnault has seen extensive exploration, totaling 82,273 meters of drilling (193 drillholes). In 2023, 25,277m were drilled, with 13,360m completed in the Winter 2023 drill campaign and 11,918m in the Fall 2023 campaign. Further drilling and exploration programs will continue in 2024.

The Project is located 100 kilometers to the north of Chibougamau, Quebec. Favorable infrastructure exists in the Project area with an extensive forestry road network as well as the Route-du-Nord crossing the southwestern portion of the property. A power transmission line also crosses through the property which supplied power to the past producing Troilus mine.

Qualified Person

Janek Wozniowski, B.Sc., P.Geo. (EGBC #172781, APEGS #77522, EGMB #48045, PGO #3824) and Cédric Mayer, M.Sc., P.Geo. (OGQ #02385), each a "Qualified Person" under National Instrument 43-101, has reviewed and approved the scientific and technical information in this press release.

About Kenorland Minerals Ltd.

[Kenorland Minerals Ltd.](#) (TSX.V KLD) is a well-financed mineral exploration company focussed on project generation and early-stage exploration in North America. Kenorland's exploration strategy is to advance greenfields projects through systematic, property-wide, phased exploration surveys financed primarily through exploration partnerships including option to joint venture agreements. Kenorland holds a 4% net smelter return royalty on the Frotet Project in Quebec which is owned by Sumitomo Metal Mining Canada Ltd. The Frotet Project hosts the Regnault gold system, a greenfields discovery made by Kenorland and Sumitomo Metal Mining Canada Ltd. in 2020. Kenorland is based in Vancouver, British Columbia, Canada.

Further information can be found on the Company's website www.kenorlandminerals.com

On behalf of the Board of Directors,

Zach Flood
President, CEO & Director

For further information, please contact:

Alex Muir, CFA
Investor Relations Manager
Tel +1 604 568 6005
info@kenorlandminerals.com

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