

Florida Canyon Gold Announces Binding Agreement to Sell Mexican Business Unit

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Toronto, July 17, 2024 - [Florida Canyon Gold Inc.](#) (TSXV: FCGV) ("FCGI", or the "Corporation") announced today that it has entered into a binding agreement to sell its interests in the San Agustin mine, El Castillo mine, La Colorada mine, Cerro del Gallo project and San Antonio project (collectively the "Mexican Business Unit") to Heliostar Metals Ltd. ("Heliostar") (the "Transaction").

The sale of the Mexican Business Unit is the result of the Corporation's previously announced review of strategic alternatives and consistent with the Corporation's stated objective to leverage the value of its portfolio of assets and manage risk.

At closing, Heliostar will pay cash consideration of US\$5 million to the Corporation. In addition, the Corporation is entitled to cash generated by the Mexican Business Unit prior to July 11, 2024 and cash of US\$5 million generated from operating cash flow after July 16, 2024, subject to a minimum of US\$2 million of net working capital being left in the Mexican Business Unit on closing. The Transaction represents an important step in positioning the Corporation to explore alternatives to maximize shareholder value in connection with its Florida Canyon mine, which will be the primary asset of the Corporation after the sale of the Mexican Business Unit is completed.

As part of the Transaction, FCGI and Heliostar will enter into an agreement eliminating the outstanding contingent payments payable by Heliostar to FCGI pursuant to the agreement under which Heliostar previously acquired the Ana Paula project, as well as the conditional option payments on the San Antonio project. Post-closing, Heliostar will assume all responsibilities for the Mexican Business Unit, including reclamation.

The Transaction is expected to close in the third quarter of 2024 and is subject to certain closing conditions, including applicable regulatory approvals, the Mexican Business Unit having net working capital of at least US\$2 million, as well as other customary closing conditions for a transaction of this nature.

Advisors

Scotiabank is acting as financial advisor to FCGI, with Bennett Jones acting as legal advisor to FCGI. HBH Strategic Advisors acted as counsel to the Board of Directors of FCGI.

About Florida Canyon Gold Inc.

The Corporation is a Canadian-based junior gold producer with assets in the United States and Mexico. The principal operating assets of FCGI are the Florida Canyon mine in Nevada and San Agustin mine in Mexico. The Corporation also holds the El Castillo mine, La Colorada mine, Cerro del Gallo project and San Antonio project (which is subject to an option agreement with Heliostar), all located in Mexico. The Corporation is exploring all options to leverage the value of its portfolio of assets.

Further information concerning FCGI may also be found on its website at www.floridacanyongold.com and in the Corporation's TSXV Form 2B - Listing Application, available on SEDAR+ at www.sedarplus.ca under FCGI's issuer profile.

Cautionary Note Regarding Forward-Looking Statements

This news release contains certain "forward-looking statements" under applicable Canadian securities laws concerning the business, operations and financial performance and condition of FCGI. Except for statements of historical fact relating to FCGI, all statements included herein are forward-looking statements. The words "believe", "expect", "strategy", "target", "plan", "scheduled", "commitment", "opportunities", "guidance", "project", "continue", "on track", "estimate", "growth", "forecast", "potential", "future", "extend", "planned", "will", "could", "would", "should", "may" and similar expressions typically identify forward-looking statements. In particular, this news release contains forward-looking statements including, without limitation, information

and statements regarding the Transaction and the business and operations of FCGI.

*Forward-Looking statements are necessarily based on the opinions and estimates of management at the date the statements are made and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of FCGI and there is no assurance they will prove to be correct.  *

These factors are discussed in greater detail in FCGI's TSXV Form 2B - Listing Application, filed under the Corporation's issuer profile on SEDAR+, which also provides additional general assumptions in connection with these statements. FCGI cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail.

Although FCGI has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. FCGI undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. Comparative market information is as of a date prior to the date of this document. Further, the forward-looking statements included herein speak only as of the date of this news release.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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