MAS Gold Corp. and Comstock Metals Ltd. Sign Definitive Agreement for MAS Gold to Acquire 100% of Comstock's Preview SW Gold Project MAS Gold Releases Greywacke North and North Lake 2021 Mineral Resource Updates La Ronge, Saskatchewan

written by Raj Shah | January 17, 2022

January 17, 2022 (Source) – **MAS Gold Corp.** ("**MAS Gold**") (TSXV: MAS) and **Comstock Metals Ltd.**("**Comstock**") (TSXV: CSL) are pleased to announce that, further to the news release dated December 14, 2021, they have signed a definitive agreement pursuant to which Comstock has agreed to sell 100% of its interest in its Preview SW Gold Project and property ("**Preview SW Property**") to MAS Gold in consideration of the issuance of 30,000,000 common shares in MAS Gold (the "**Proposed Transaction**").

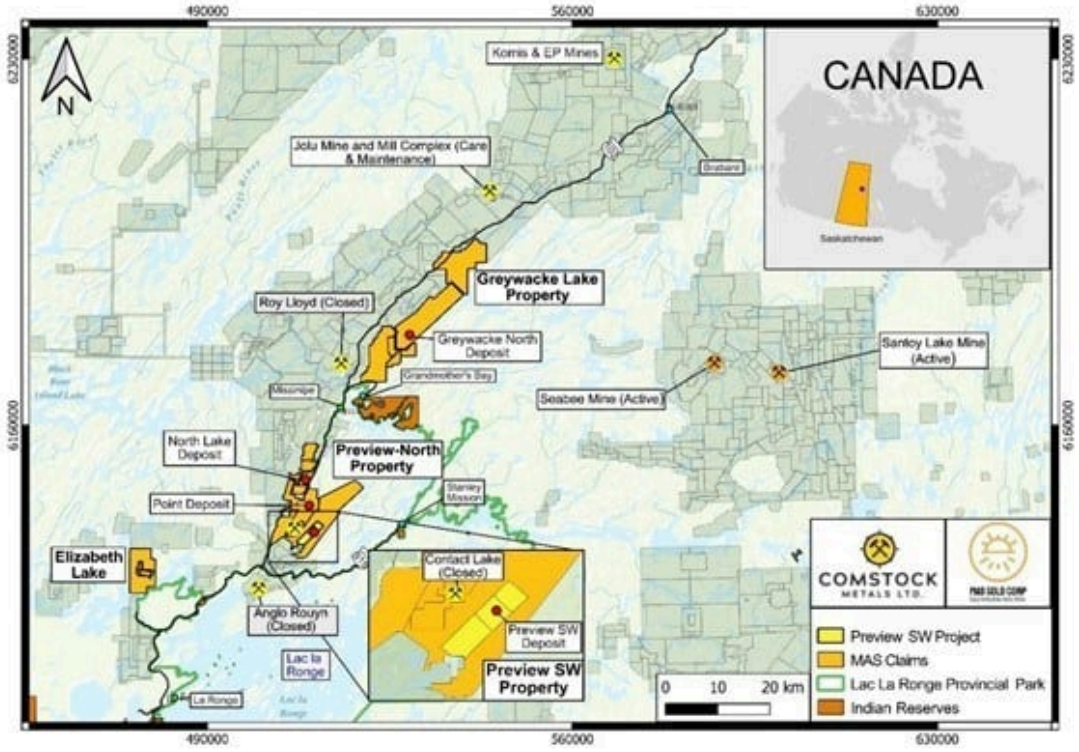


Figure 1: MAS Gold Corp. and Comstock Metals Ltd. claim holdings, La Ronge Gold Belt, Saskatchewan (CNW Group/MAS Gold Corp)

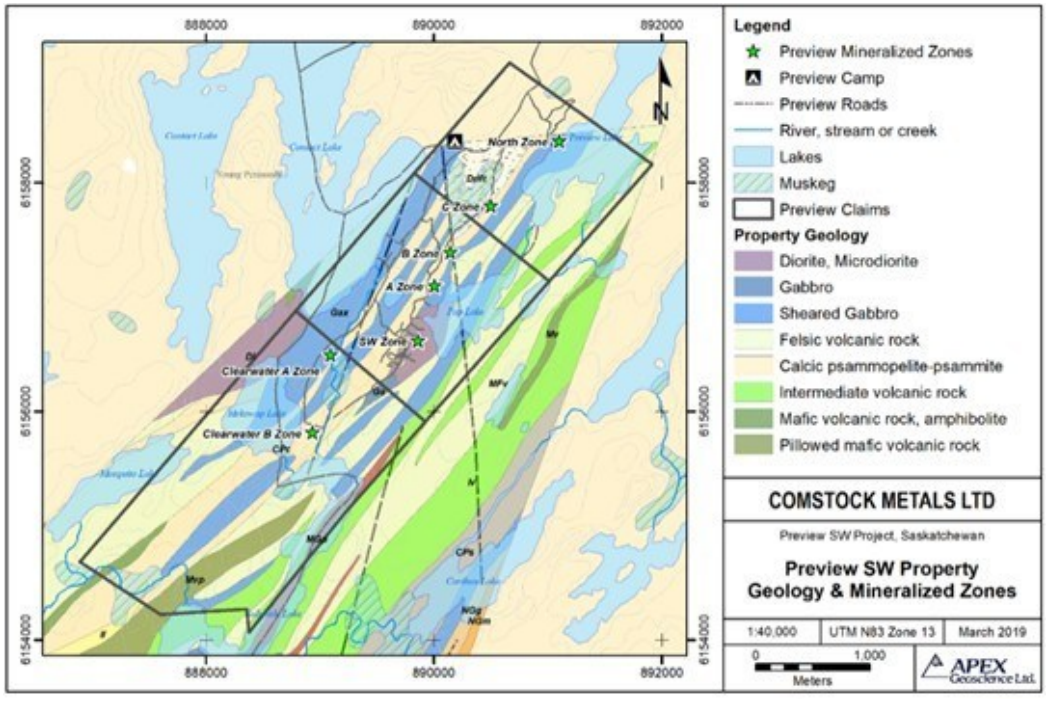


Figure 2: Comstock Metals Ltd. Preview SW

Property Area Geology and Mineralized Zones (CNW Group/MAS Gold Corp)

Comstock's 843 hectare Preview SW Property is contiguous with MAS Gold's Preview-North Property in the La Ronge Gold Belt of northeastern Saskatchewan. The Preview SW Property and portions of MAS Gold's Preview-North property are located within the Mineral Exploration Zone of the Lac La Ronge Provincial Park. The Preview SW Property is an ideal addition to MAS Gold's current portfolio of Hub and Spoke properties, where the concept that the mineralized material from various satellite deposits (Spokes) could be co-mingled at a centrally located processing facility (Hub).

MAS Gold also announces the January 12, 2022 release of the *Technical Report on the 2021 Mineral Resource Updates for North Lake and Greywacke North Gold Projects* on SEDAR, principal author S. Godden, C.Eng., FIMMM.

Preview SW Property Acquisition

Upon the closing of the Proposed Transaction, Comstock will have the right to appoint one director to MAS Gold's board for a minimum of two years, and has agreed to appoint Steven Goldman, CEO of Comstock as its board representative on the MAS Gold board. Mr. Goldman was appointed as President and CEO of Comstock Metals in May, 2019 after serving as Interim President and CEO since May 15, 2018 and Director of Comstock since February 2016. He was a founder of the Toronto law firm of Goldman Hine LLP and remains counsel to the firm. Mr. Goldman is also a director of Select Sands Corp. (SNS.V). After graduating from Carleton University in 1976 (B.A., President's Medal), he earned a JD degree from Queen's University in 1980, and was called to the Bar in Ontario in 1982. The Board of MAS

Gold is privileged to welcome Mr. Goldman to its Board of Directors.

Comstock will also provide additional funding in the amount of $200,000, to be expended in Q1 2022 in conjunction with input from MAS Gold, advancing its Preview SW Property prior to closing of the Proposed Transaction. In connection with the signing of the definitive agreement it is anticipated that shareholders of Comstock holding an aggregate of at least 51% of the outstanding common shares in the capital of Comstock will enter into voting support agreements with Mas Gold and Comstock pursuant to which they will agree to vote their Comstock shares in favour of the Proposed Transaction. Closing is anticipated in the second half of March, 2022 after both companies hold their annual general meetings ("AGM"). MAS Gold anticipates holding its AGM on February 26, 2022. Comstock anticipates holding its AGM in early March, 2022.

Comstock engaged Red Cloud Klondike Strike Inc. as an advisor to this transaction and will pay advisory fees based on the Proposed Transaction's value equal to 5% of the first $2,000,000 and 3.5% thereafter (the "**Advisory Fee**"). The Company's CEO is also entitled to receive a 3% bonus based on the Proposed Transaction's value (the "**Bonus**"). It is anticipated that the Advisory Fee and Bonus will be paid using a portion of the MAS Gold shares received by Comstock.

Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to, TSX Venture Exchange acceptance and shareholder approval. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

In addition to the Comstock Agreement, a winter 2022 exploration program is planned for the near future that proposes 8000 meters

of core drilling with focus on the Preview SW Project and MAS Gold's North Lake Gold Deposit and Point Gold Deposit targets. Further details of the proposed work program are forthcoming.

MAS Gold Technical Report on the Greywacke North and North Lake Mineral Resource Estimates

MAS Gold has released the *Technical Report on the 2021 Mineral Resource Updates for North Lake and Greywacke North Gold Projects* on SEDAR. The Technical Report was issued January 12, 2022, within 45 days of the December 6, 2021 news release about the Greywacke North Mineral Resource update. The Technical Report covers both the North Lake (issued December 9, 2021) and Greywacke North Mineral Resource updates. The principal author and qualified person ("QP") is Stephen Godden, C.Eng. FIMMM, an Independent Mining Consultant; both David Thomas, P. Geo., and David Tupper, P. Geo., Vice President, Exploration of MAS Gold, are co-authors (each being a QP). All three QPs are responsible for the preparation of this news release; they have read and approved its technical aspects.

Please see MAS Gold news releases of December 6, 2021 and December 9, 2021 for details on the technical aspects regarding the Mineral Resource Updates for Greywacke North and North Lake gold projects, respectively.

About MAS Gold Corp.

MAS Gold Corp. is a Canadian mineral exploration company focused on gold exploration projects in the prospective La Ronge Gold Belt of Saskatchewan. MAS Gold operates four properties in the belt, including the Preview-North, Greywacke Lake, Elizabeth Lake and Henry Lake Properties that extend along segments totaling roughly 60 kilometres of the geologically prospective La Ronge, Kisseynew and Glennie Domains that make up the La Ronge Gold Belt (see Figure 1).

MAS Gold’s current projects include the North Lake, Greywacke North, Bakos (Contact Lake) and Point gold deposits and the historically defined Elizabeth Lake copper-gold volcanic-hosted massive sulphide deposit within four properties totalling 34,703.4 hectares (85,753.8 acres).

The North Lake deposit located at the Preview-North Property is estimated to contain an Inferred Mineral Resource of 18,100,000 t grading 0.85 g/t Au, hence 494,000 contained ounces of gold (Godden, S, Thomas, D. Tupper, D. *Technical Report on the Mineral Resource Updates, North Lake and Greywacke North Gold Projects, La Ronge Gold Belt, Saskatchewan, Canada*.; effective date December 1, 2021)*. The Technical Report about the updated Mineral Resource estimate was filed on SEDAR January, 12, 2022.

The Greywacke North deposit, which hosts multiple known stratabound, high-grade gold-bearing zones, has an updated, combined open pit and underground Indicated Mineral Resource of 645,000 t averaging 4.90 g/t Au for 101,000 insitu ounces of gold (600,000 t at 4.89 g/t Au, and 45,000t at 5.03 g/t Au, respectively), plus a combined open pit and underground Inferred Mineral Resource of 410,000 t averaging 4.12 g/t Au for 55,000 insitu ounces of gold (35,000 t at 1.97 g/t Au, and 375,000 t at 4.33 g/t Au, respectively). The Indicated and Inferred Mineral Resources were estimated using open pit and underground cut-off grades of 0.65 g/t Au and 1.75 g/t Au, respectively (Godden, S, Thomas, D. Tupper, D. *Technical Report on the Mineral Resource Updates, North Lake and Greywacke North Gold Projects, La Ronge Gold Belt, Saskatchewan, Canada*.; effective date December 1, 2021)*. The Technical Report about the updated Mineral Resource estimate was filed on SEDAR January 12, 2022.

The Bakos deposit, located on the former Contact Lake Mine holding, was first identified by Saskatchewan Mining Development Corporation (SMDC; later Cameco Corporation) exploration field

crews in 1984. Operations were conducted from December 1994 until closure in December 1998. Historical production and recovery values for the entire operation included 188,185 ounces gold produced from 1,006,673 tonnes processed with a head grade of 6.16 g/t Au at a recovery rate of 95% (Leniuk, G., B. Bharadwaj, G. Alderman & R. Wyka: *Cameco Corporation Contact Lake Operation, Final Report, January, 1999*). The mine was shut down during low metals prices, reportedly leaving undeveloped mineralized material in place (see MAS Gold news release dated September 13, 2021).

The Point deposit has been the subject of multiple drill campaigns dating to the 1980's when Saskatchewan Mining and Development Corporation (SMDC; later Cameco) drilled 43 core holes. MAS gold completed 13 additional holes in 2019, intersecting multiple high-grade intercepts including 7.0 metres grading 14.99 g/t Au from 20.0 to 27.0 metres (see MAS Gold news release dated June 25, 2019).

- The contained gold ounces are in situ. No assurance can be given that the estimated quantities will be produced. All figures have been rounded to reflect accuracy and to comply with securities' regulatory requirements.

  Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. Estimates of Mineral Resources may be materially affected by gold price, environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

About Comstock Metals Ltd.

Comstock Metals has been advancing the Preview SW Gold Project, a resource-stage gold project in the La Rongedistrict of Saskatchewan (see **Figure 1**). The Preview SW deposit hosts a historical Indicated Mineral Resource containing 158,300 ounces

of gold (2.61 million tonnes grading 1.89 g/t Au) and a historical Inferred Mineral Resource containing 270,800 ounces of gold (5.70 million tonnes grading 1.48 g/t Au), both based on a 0.50 g/t Au cut-off grade (see Comstock news release dated December 14, 2021). During 2017 and 2018, Comstock completed diamond drilling campaigns targeting the Preview North zone and the Preview SW deposit comprising 24 holes totaling 4,700 metres. Several additional, relatively untested targets remain on the Property, including the A, B, C, and Clearwater zones (see **Figure 2**).

Comstock has filed on SEDAR the 43-101 Technical Report, Preview SW Gold Project, La Ronge, Saskatchewan, prepared for Comstock Metals Ltd. by Ronald G. Simpson, P.Geo., Geosim Services Inc. Effective date September 27, 2016.

Red Cloud Securities Inc. is acting as financial advisor to Comstock with Fogler, Rubinoff LLP acting as legal advisor.

Qualified Persons

The scientific and technical information contained in this news release has been prepared, reviewed and approved by David Tupper, P.Geo. (British Columbia), MAS Gold's VP Exploration and Kristopher J. Raffle, P.Geo.(British Columbia) Principal and Consultant of APEX Geoscience Ltd. of Edmonton, AB, on behalf of Comstock Metals, both Qualified Persons (QP) within the context of Canadian Securities Administrators' National Instrument 43-101; Standards of Disclosure for Mineral Projects (NI 43-101).

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Caution Regarding Forward Looking Information and Statements

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. MAS Gold and Comstock caution that all forward-looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond their respective control. Such factors include, among other things: the failure to satisfy the conditions to completion of the Proposed Transaction set forth above, risks and uncertainties relating to MAS Gold's limited operating history, the need to comply with environmental and governmental regulations, results of exploration programs on their projects and those risks and uncertainties identified in each of their annual and interim financial statements and management discussion and analysis. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of MAS Gold and Comstock. As a result, MAS Gold and Comstock cannot guarantee that the Proposed Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and MAS Gold and Comstock will only update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law, except as required under applicable securities legislation. MAS Gold undertakes no obligation to publicly update or revise forward-looking information.

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

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