

Cadillac Mining Corporation Enters into an Agreement to be Acquired by Pilot Gold Inc.

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[Cadillac Mining Corp.](#) (CQX - TSX Venture), ("Cadillac" or the "Company") announces that it has entered into an arrangement agreement (the "Agreement") pursuant to which [Pilot Gold Inc.](#) (TSX:PLG) ("Pilot Gold") has agreed to acquire all the issued and outstanding shares of Cadillac by way of a court-approved plan of arrangement (the "Transaction").

Pursuant to the terms of the Agreement, Cadillac shareholders will receive 0.12195 of a Pilot Gold share and 0.12195 of a Pilot Gold share purchase warrant ("Pilot Warrants") for each common share of Cadillac held. Each Pilot Warrant shall entitle the holder to acquire one Pilot Gold share at an exercise price of C\$2.00 for a period of two years from the closing of the Transaction. Existing Cadillac warrants and options will be exercisable for Pilot Gold shares, adjusted in respect of exercise price and number, based on the 0.12195 exchange ratio. Further, Pilot will retire Cadillac's working capital deficiency at closing of the Transaction.

The Transaction represents a 121% premium over the closing price of Cadillac shares as of June 12, 2014, the last full trading day prior to the announcement of the Agreement, and a 95% premium to Cadillac's prior 20-day volume-weighted average price.

Within the context of persistent depressed junior equity markets, the means of raising adequate financing to properly explore the large complex gold system at Goldstrike in southwestern Utah was not clear to Cadillac's management, and at best potentially extremely dilutive to the Company's shareholders. Not only has Pilot the financial resources to explore the Goldstrike property, its talented geological team is very experienced in the Great Basin, having discovered the multi-million ounce Long Canyon deposit near Wells, Nevada, ultimately resulting in its sale to Newmont Mining in 2011 for \$2.3 billion.

In addition to continued exposure to progress at the Goldstrike project and its interests on the Cadillac Break in Quebec, Cadillac's shareholders will also participate in developments in Pilot Gold's broad exploration portfolio, highlighted by Kinsley Mountain in Nevada and TV Tower and Halilaga in Turkey. Kinsley Mountain, situated approximately 250 miles north of Goldstrike, and also at the eastern margin of the Great Basin, is of particular interest to Cadillac, due to the numerous striking historical and geological parallels between the two properties. Recently, after a considerable exploration effort at Kinsley, Pilot announced very promising high-grade drill results in Paleozoic strata. Cadillac's management regards the Agreement with Pilot as the best route available to unlock Goldstrike's potential, whilst also participating in the development of Pilot Gold's portfolio of excellent projects.

Consequently, the Board of Directors of Cadillac (the "Board") have unanimously approved the Transaction and will recommend that Cadillac shareholders vote in favour of the Transaction. Certain of Cadillac's shareholders, including all of the senior officers and members of the Board have entered into voting and support agreements with Pilot Gold pursuant to which each has agreed to vote in favour of the transaction, which together represent approximately 30.1% of the issued and outstanding common shares of Cadillac.

Transaction Details

The transaction will be carried out by way of a plan of arrangement, the implementation of which will be subject to shareholder approval representing at least 66 2/3 of the votes cast at a special meeting of Cadillac shareholders that is expected to be held in August 2014, followed by the approval of the Supreme Court of British Columbia. Pursuant to the terms of the Agreement, the proposed transaction is also subject to applicable regulatory and stock exchange approvals and the satisfaction of certain closing conditions customary in transactions of this nature. The Agreement also provides for, among other things, customary board support and non-solicitation covenants (subject to the fiduciary obligations of the Cadillac Board and a Pilot Gold "right to match").

The terms and conditions of the Agreement will be disclosed in more detail in the Cadillac management information circular which is expected to be filed and mailed to Cadillac shareholders in July 2014. It is anticipated that the Transaction, if approved by Cadillac's shareholders, will be completed in late August 2014. Copies of the Plan of Arrangement and management information circular will be filed with Canadian securities regulators and will be available under Cadillac's company profile at www.sedar.com.

Under the Agreement, Pilot Gold will make available to Cadillac a senior secured line of credit of \$200,000 to meet certain of Cadillac's costs prior to completion of the transaction. The loan and accrued interest become due and payable in cash immediately upon termination of the Agreement, or cancelled upon completion of the Transaction.

On June 9, 2014, Cadillac and Morecore Drilling Inc. entered into a settlement agreement resulting in the removal of a mechanic's lien in the State of Utah against the Cadillac's Goldstrike project BLM claims.

About Cadillac Mining Corporation

[Cadillac Mining Corp.](#) is a junior exploration company based in Vancouver, Canada focused on large-scale precious metal projects the Great Basin in the western USA and in the Abitibi geological province in Canada. The Company's long term objective is the discovery of a major deposit through carefully planned exploration strategies.

For further information:

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This news release contains "forward-looking information" within the meaning of the Canadian securities laws. Forward-looking information is generally identifiable by use of the words "believes," "may," "plans," "will," "anticipates," "intends," "budgets", "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-looking information in this news release include statements about the consummation of the proposed transaction and obtaining necessary shareholder, court, and regulatory approval.

In connection with the forward-looking information contained in this news release, Cadillac has made numerous assumptions, regarding, among other things: successful completion of the Plan of Arrangement, obtaining governmental approvals and financing on time, obtaining renewals for existing licenses and permits and obtaining required licenses and permits.

Additionally, there are known and unknown risk factors which could cause Cadillac's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: risks related to approval by the applicable governmental or regulatory authorities, the risk that the parties will not obtain the required shareholder approval and necessary court and stock exchange approvals, risks related to the satisfaction or waiver of certain other conditions contemplated by the arrangement agreements, risks related to the availability of financing and the future price of metals, risks regarding timing and amount of expenses related to the transaction, as well as those risk factors described in Cadillac's public filings under its profile at www.sedar.com.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and Cadillac disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

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