

Black Springs Capital Inc. Provides an Update on Its Proposed Qualifying Transaction

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[Black Springs Capital Inc.](#) (NEX:BSG.H) (the "Corporation" or "BSC") is pleased to provide the following update on its previously announced qualifying transaction (see press release dated December 9, 2016) whereby the Corporation will acquire all of the issued and outstanding securities (the "Géomines Shares") of Groupe Ressources Géomines Inc. ("Géomines") in exchange for the issuance of common shares to the shareholders of Géomines. The acquisition of the Géomines Shares will constitute the qualifying transaction of the Corporation (the "Qualifying Transaction") as such term is defined in the policies of the TSX Venture Exchange (the "Exchange").

The acquisition of the Géomines Shares will be effected through the amalgamation of the Corporation and Géomines under the Business Corporations Act (Quebec) ("QBCA"), pursuant to a binding amalgamation agreement dated January, 3 2017.

Terms of Qualifying Transaction

Under the terms of the Qualifying Transaction, the Corporation will amalgamate with Géomines to form amalco under the name Kintavar Exploration Inc. ("Kintavar") and the shareholders of Géomines will receive common shares in the capital of Kintavar (the "Kintavar Shares") in exchange for their Géomines Shares (the "Amalgamation").

The Qualifying Transaction is an arm's length transaction. No insiders of the Corporation own securities in Géomines and no insiders of Géomines own securities in the Corporation.

Pro forma Capital Structure

The Corporation currently has 8,250,000 common shares issued and outstanding, following the completion of its previously announced bridge financing (see press release dated December 9, 2016), completed on December 29, 2016 for gross proceeds of \$110,250 through the issuance of 2,100,000 common shares of the Corporation at a price of \$0.0525 per share, which are subject to a hold period ending April 30, 2017. In connection with the Qualifying Transaction such common shares will be exchanged on a two to one basis pursuant to the Amalgamation, resulting in 4,125,000 Kintavar Shares after the Amalgamation.

Géomines currently has 17,168,885 common shares issued and outstanding, following the completion of a first tranche of the previously announced financing (see press release dated December 9, 2016), completed on December 30, 2016 for gross proceeds of \$1,181,710 through the issuance of 2,002,500 units at a price of \$0.14 per unit, each comprised of one (1) common share and one half of one (1/2) common share purchase warrants exercisable at a price of \$0.18 until December 30, 2018, and 4,452,000 common shares on a flow-through basis at a price of \$0.18 per share. Pursuant to an acquisition agreement dated December 8, 2016, Géoméga Resources Inc. ("GéoMéga") will receive 17,857,143 common shares of Géomines concurrently with the closing of the Qualifying Transaction. Therefore, pursuant to the Qualifying Transaction current Géomines shareholders and GéoMéga, will be issued an aggregate of 35,025,929 Kintavar Shares.

In connection with the completion of the Qualifying Transaction, Kintavar will complete the concurrent financing (the "Concurrent Financing") to raise a minimum of \$500,000 and a maximum of \$3,108,000, resulting in the issuance of a minimum of 3,571,429 (and maximum 8,700,000) units (the "Units") at a price of \$0.14 per and a maximum 10,500,000 flow-through common shares (the "FT Shares") at a price of \$0.18 per FT Share. Each Unit being comprised of one (1) Kintavar Share and one half of one (1/2) Kintavar Share purchase warrant exercisable at a price of \$0.18 for a period of 24 months from its issuance. The proceeds from the Concurrent Financing will be used for general working capital purposes and exploration work. All securities issued in connection with the Concurrent Financing will be subject to a four month hold period.

Following completion of the Amalgamation, (i) current shareholders of the Corporation will hold approximately 9.7% of the outstanding Kintavar Shares (or 7.1% assuming completion of the maximum Concurrent Financing), (ii) current Géomines shareholders and GéoMéga will hold approximately 82.0% of the outstanding Kintavar Shares (or 60.0% assuming completion of the maximum Concurrent Financing), (iii)

investors in the Concurrent Financing will hold approximately 8.4% of the outstanding Kintavar Shares (or 32.9% assuming completion of the maximum Concurrent Financing), and (iv) Ressources Amixam Inc. (the only 10% or more shareholder of Géomines) will hold approximately 10.3% of the Kintavar Shares (or 7.5% assuming completion of the maximum Concurrent Financing).

In accordance with Exchange policy, the Corporation's shares are currently halted from trading and will remain so until the completion of the Qualifying Transaction.

Géomines Financial Information

During the fiscal year ended December 31, 2015 and the interim period ended September 30, 2016, Géomines had respectively total assets of \$853,386 and \$798,553, total liabilities of \$162,043 and \$150,00, total equity of \$691,343 and \$648,553, expenses of \$544,629 and \$43,057, and a net loss of \$538,772 and \$42,8890. The foregoing financial information is unaudited. Financial information for Géomines will be provided in the filing statement of BSC to be prepared in connection with the Qualifying Transaction.

BSC Shareholders Meeting

On February 1, 2017, the Corporation held an annual and special meeting of its shareholders. In addition to the normal annual business, at such meeting shareholders approved (i) the proposed continuation of the Corporation from the Business Corporations Act (British Columbia) to the QBCA prior to completing the Amalgamation, (ii) Amalgamation and filings with applicable regulatory authorities, and (iii) the ratification of the Corporation's new stock option plan,.

Upon completion of the Qualifying Transaction, Kintavar will be engaged in the business of Géomines. For a full description of Géomines and its business please see the Corporation's press release dated December 9, 2016.

Management and Board of Directors of the Resulting Issuer

Upon completion of the Qualifying Transaction, the resulting issuer's Board of Directors will consist of Kiril Mugerma, David Charles, Mark Billings and Maxime Lemieux. The following is biographical information on each of these individuals.

Kiril Mugerma is the President and CEO of GéoMega Resources Inc. since September 2015. He is an up and coming junior mining executive who possesses both solid technical and financial experience. Prior to joining GéoMega, he worked at Industrial Alliance Securities Inc. ("IAS") as a mining specialist. He also worked on advanced stage exploration projects internationally with Gold Fields Ltd. in West Africa, central Asia and Latin America. At IAS, he served as a mining analyst in the industrial minerals sector focusing in the rare earth elements, graphite and potash sectors. He holds a bachelor degree with Honors (earth and planetary sciences) from McGill University.

David Charles is a seasoned veteran with over 28 years of experience including managing director and head of mining research at Dundee Capital Markets and partner & senior mining analyst metals and mining with GMP Securities. Mr. Charles is Director of Odyssey Resources and President of Kilgarnor Inc. He holds a M.Sc (Applied) in Mineral Exploration from McGill University and a Chartered Financial Analyst (CFA) designation.

Mark Billings is the Chairman and CEO of Canamex Resources Corp. He recently served from 2007 to 2014 as a Director, Senior VP of Corporate Development and CFO of Argex Titanium Inc., a company he co-founded. Previously, Mr. Billings served as CFO for private and public Internet companies from 2000 to 2004. From 2004 to 2006, he was VP of Corporate Finance with Desjardins Securities Inc., where he led a number of public and private financings and took companies public on the Canadian exchanges. Mark also served as a director or officer with other junior resource companies in Canada. He has a Bachelor of Arts (Highest Honours) in Political Science from Carleton University, an MBA from the Harvard Business School and a Chartered Financial Analyst (CFA) designation.

Mr. Lemieux, LL.B., LL.L. and MBA, is a lawyer in McMillan LLP's National Capital Markets and M&A Group, where his practice is focused on securities, corporate finance, and mergers and acquisitions matters. Representing both issuers and investment dealers, Mr. Lemieux has experience in private and public debt and equity offerings. He has also acted as lead counsel in a number of private and public merger and acquisition transactions and corporate reorganization, as well as a variety of negotiated transactions, including reverse take-over, exempt take-over bids and proxy contests. He also sits on the board of several

public companies.

Background information regarding the officers, other than Mr. Mugerman, proposed President and CEO, is set forth below.

Ingrid Martin - Proposed Chief Financial Officer.

Ms. Martin has been providing financial reporting services for a number of public companies for several years. She is currently the CFO of GéoMéga, Midland Exploration and Hinterland Resources. Previously, Ms. Martin also served as CFO of Melkior Resources, Strateco Resources, Stakeholder Gold and Maudore Minerals. She holds a B.Sc. in accounting from HEC.

Alain Cayer - Proposed VP Exploration.

Mr. Cayer has over 15 years of experience in mineral exploration on several advanced projects, most notably the Éléonor gold deposit. Mr. Cayer is currently the VP Exploration of GéoMéga. Prior to joining GéoMéga, he was Senior Project Geologist at Virginia Mines, which he joined in 2002. In 2003, he was part of the team that discovered the Eleonore gold deposit in James Bay, which he worked on until it was sold to Goldcorp. In 2005, Mr. Cayer and the Virginia Mines team received the Prospectors and Developers association of Canada's Bill Denis award, which is awarded to the prospector of the year in Canada, for the Eleonore discovery. Mr. Cayer started his career at Soquem in 1998 where he was exploring for rare earth and base metal ore bodies in Quebec's Côte Nord region. He has a bachelor's degree in geology and a master's degree in mineral resources from Université du Québec à Montréal.

Sponsorship of Qualifying Transaction

Sponsorship of a qualifying transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies. BSC has applied for an exemption from the sponsorship requirements. There is no assurance that BSC will ultimately obtain an exemption from sponsorship.

Description of Significant Conditions to Closing

Completion of the Qualifying Transaction is subject to a number of conditions including but not limited to, the completion of the Continuation, the closing of the minimum Concurrent Financing, and Exchange acceptance. There can be no assurance that the Qualifying Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

About Black Springs Capital Corp.

Black Springs Capital Corp is a capital pool company. The Company is engaged in identification and evaluation of assets or business with a view of completing a qualifying transaction.

Cautionary Statements

This news release contains "forward-looking statements" within the meaning of applicable securities laws relating to the proposal to complete the Qualifying Transaction and associated transactions, including statements regarding the terms and conditions of the Qualifying Transaction and associated transactions. Readers are cautioned not to place undue reliance on forward-looking statements. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks that the parties will not proceed with the Qualifying Transaction and associated transactions, that the ultimate terms of the Qualifying Transaction and associated transactions will differ from those that currently are contemplated, and that the Qualifying Transaction and associated transactions will

not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities). The statements in this news release are made as of the date of this release. The Corporation undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Corporation, Géomines, or their respective financial or operating results or (as applicable), their securities.

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 release.

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