

# Silver Mountain Mines Executes Definitive Agreement with Nevgold To Create A Strong Diversified Exploration and Development Company

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CALGARY, Feb. 23, 2021 - [Silver Mountain Mines Inc.](#) (TSXV: "SMM") ("Silver Mountain" or the "Company") announces that further to its news release dated January 19, 2021 in connection with signing a Letter of Intent (the "LOI"), it has executed a binding Definitive Agreement (the "Agreement") dated February 17, 2021 with Nevgold Corp. ("Nevgold") with respect to a proposed transaction (the "Proposed Transaction") whereby Silver Mountain will acquire all of the issued and outstanding common shares in the capital of Nevgold (the "Nevgold Shares"). Nevgold is a private British Columbia company which holds the right to acquire the Limousine Butte and Cedar Wash Projects in Nevada (the "Properties") from McEwen Mining Inc. (NYSE: "MUX", TSX: "MUX") ("McEwen").

The Proposed Transaction has been unanimously approved by the Board of Directors of SMM and Nevgold and is expected to close in Q2-2021. Trading in common shares of the Company will remain halted until the resumption of trading is approved by the TSX Venture Exchange (the "TSXV") in connection with the completion of the Proposed Transaction. The Proposed Transaction will constitute an arm's length reverse take-over pursuant to the policies of the TSXV, and following the Proposed Transaction, it is anticipated that the Company will be a Tier 2 Mining Issuer on the TSXV.

"The combination of the Silver Mountain Mines and Nevgold assets will add value for all shareholders and expand our assets across North America in well established mining camps. With the new leadership team, asset portfolio, and recapitalization plan, the company should be in a great position for success as the market for commodities continues to grow," says Steve Konopelky, Director of the Company.

Brandon Bonifacio, incoming President, CEO, and Director of Nevgold: "We are very excited to form a new North American focused precious metals exploration and development company with assets in Nevada and British Columbia that will attract a premium market valuation. Our leadership group will leverage our strong operational track record of project development success to deliver value for all of our stakeholders. We look forward to updating our current and future investor base on the transaction close and our planned 2021 work programs."

## *Transaction Summary*

Nevgold is a private company incorporated under the *Business Corporations Act* (British Columbia).

Nevgold entered into an asset purchase and sale agreement dated December 14, 2020 (the "Asset Purchase Agreement") with McEwen and certain of McEwen's affiliates (collectively, the "Vendors") pursuant to which Nevgold has agreed to acquire the Properties from the Vendors immediately prior to or concurrently with the Proposed Transaction (the "Closing Date") on the terms as previously outlined in the January 19, 2021 news release.

It is anticipated that prior to the closing of the Proposed Transaction, Nevgold will complete a private placement (the "Concurrent Financing") of subscription receipts of Nevgold (each, a "Subscription Receipt") for aggregate gross proceeds of up to C\$5,000,000 or such greater amount up to C\$10,000,000, at a price per Subscription Receipt to be determined in the context of the market.

The Proposed Transaction is subject to several terms and conditions, including, but not limited to:

- (i) Nevgold having prepared a technical report at Limousine Butte in accordance with the requirements of

## National Instrument 43-101

- (ii) all financial statements of Nevgold having been prepared
- (iii) as at the closing of the Proposed Transaction, the Company will have no payables (less cash) other than ordinary course trade payables
- (iv) any change of control obligations of the Company associated with the Proposed Transaction shall have been settled
- (v) completion of the Concurrent Financing and receipt of proceeds thereunder
- (vi) the approval of the TSXV in respect of the Proposed Transaction and the Resulting Issuer meeting the applicable minimum listing requirements of the TSXV
- (vii) approval of the shareholders of Nevgold and the Company to the Proposed Transaction
- (viii) receipt of any required third party consents

In connection with completion of the Proposed Transaction, it is anticipated that the Company will change its name to "Nevgold Corp." and will adopt the ticker symbol "NAU".

### *Proposed Management and Board of Directors Composition*

Upon closing of the Proposed Transaction, the management and board of directors of the Resulting Issuer is expected to consist of Giulio Bonifacio, Brandon Bonifacio, Vic Bradley, Greg French, Tim Dyhr, Steve Konopelky, and Morgan Hay.

Name	Past Experience
Giulio Bonifacio <i>Non-Executive Chairman</i>	Mr. Giulio Bonifacio is a Chartered Professional Accountant with over 35 years of experience in executive roles in the mining industry. Mr. Bonifacio is the Founder and former Director of Nevada Copper Corp. since its inception in 2005 until his retirement in 2018. Among his accomplishments Mr. Bonifacio has raised over \$700 million through equity and project financing, as well as being involved in corporate transactions aggregating in excess of a billion dollars. He has led and directed efforts at every stage of development including exploration, engineering and construction.
Brandon Bonifacio <i>President, CEO, and Director</i>	Mr. Brandon Bonifacio is a mining executive with over 10 years of experience in project development, mergers and acquisitions, and project evaluations. Mr. Bonifacio was most recently the Managing Director of the Norte Abierto Joint Venture (Cerro Casale/Caspiche) in the Maricunga Region, Chile. He was previously the Corporate Development team at Goldcorp Inc. (now Newmont Corporation). Mr. Bonifacio holds a B.Sc. in Mining Engineering and MBA from the University of Nevada, Reno and a Bachelor of Science in Engineering from the University of British Columbia.
Vic Bradley <i>Independent Director</i>	Mr. Bradley is a Chartered Professional Accountant with more than 50 years of experience in the mining industry. Over the past 30 years he has founded, financed, and operated several mining exploration and development companies including the original Yamana Gold Inc., Aura Minerals Inc. and Nevoro Inc. (sold to Starfield Resources). Vic founded the original Yamana in 1994 and served as President and CEO, and subsequently Chairman of the Board and Lead Director until 2008. He served as Chairman of Osisko Mining Corp. from 2006 until its sale for \$4.1 billion to Agnico Eagle and Yamana. He served as a director of Osisko Gold Royalties Ltd. from 2014 to 2018 and as Chairman of Nevada Gold Mines from 2012 to 2017. He now serves as Chairman of Osisko Bermuda Ltd., Chairman of Nevada Gold Mines and Director of PJX Resources Inc.
Greg French <i>Independent Director</i>	Mr. French is a geologist with over 35 years of exploration experience in Western USA. His current role is Nevada Copper's VP, Head of Exploration, where he has been responsible for exploration development from exploration to production since 2006. His prior roles include various roles at Homestake Mining Inc., Atlas Precious Metals, and Cornerstone Industrial Minerals. Mr. French's role in Nevada gold discovery to his credit and extensive project development experience including exploration taken through feasibility and into production.

Tim Dyhr <i>Independent Director</i>	Mr. Dyhr has over 35 years of experience in mining with expertise in environmental, public and government relations in the United States. His most recent success was directing the success of Nevada Copper's Pumpkin Hollow Project in Yerington, Nevada which is now in production. His other accomplishments include directing the initial permitting of Magma Copper's Robinson Mine near Ely, Nevada, serving on the Nevada Mining Association from 2017-2018, and other various senior capacities with many mining companies including Magma Copper and BHP Copper.
Steve Konopelky <i>Independent Director</i>	Mr. Konopelky has spent the last 25 years developing a broad range of experience in business and finance for various companies, effectively streamlining financials, raising capital, and leading operational improvements in various industries. He is currently the President & CEO of ELM Inc. a leading environmental consulting and management company which supports the mining, oil & gas and industrial industries. He was previously and current, Director, President & CEO of <a href="#">Silver Mountain Mines Inc.</a>
Morgan Hay <i>Independent Director</i>	Morgan Hay is a partner of Maxis Law Corporation, a Vancouver-based securities and legal firm. Since 2007 he has been advising companies listed on Canadian stock exchanges in the natural resources sector, and has expertise in corporate finance, mergers and acquisitions, and corporate governance.

#### *Asset Information - Limousine Butte - Drill Ready Resource Expansion in Nevada*

Limousine Butte is a past-producing, Carlin-type gold district in Ely, Nevada consisting of 821 unpatented mining claims on federal Bureau of Land Management ("BLM") land covering approximately 66.5 square kilometers. The property covers a large hydrothermal gold system that exhibits alteration features indicative of sediment and structurally hosted gold deposits found on the Carlin Trend and elsewhere in Nevada. Gold is predominately associated with hydrothermal alteration of carbonate host rocks including extensive jasperoid development. Gold mineralization is known to occur along the roughly 20km north-east trending fault structure with cross-cutting northwest trending fault intersections also acting as favorable controls for mineralization.

Historical production from 1987-1989 by Alta Gold Corp. was approximately 91,000 ounces of near-surface oxide gold at the Golden Butte mine. Historical work that would cost over US\$45 million to replicate today includes over 900 drill holes and 120,000 meters of both reverse circulation ("RC") and core drilled by previous operators, and other geophysical and geochemical studies. The project has a mineral resource estimate stated by McEwen ("McEwen Estimate") of Measured & Indicated of 241,000 ounces of gold at 0.78 grams per tonne gold (9.6Mt) [Measured of 168,000 ounces of gold at 0.89 grams per tonne gold (5.9Mt), Indicated of 73,000 ounces of gold at 0.61 grams per tonne gold (3.7Mt)], and Inferred of 51,000 ounces of gold at 0.70 grams per tonne gold (2.2Mt).

The foregoing categories comply with the Canadian Mineral Resource and Reserve Definitions as published by the Canadian Institute of Mining Metallurgy and Petroleum, in effect as at the date of the McEwen Estimate. The McEwen Estimate incorporated three of the more advanced gold targets within the large land package, and was disclosed in NI 43-101 Technical Report for the Limousine Butte Project, White Pine County, Nevada prepared by Telesto Nevada Inc. as of July 1, 2009 for US Gold Corporation. A qualified person has not done sufficient work to classify the McEwen Estimate as current, and the Company is not treating the McEwen Estimate as current mineral resources. Nevgold has completed an updated NI 43-101 Technical Report to re-interpret the historical data and programs completed on Limousine Butte.

Historical drill intercepts include:

Hole ID	From (m)	To (m)	Length(m)	Au g/t
BPD-2	35.05	86.87	51.82	3.31
BPD-2 <i>inc.</i>	38.10	41.15	3.05	6.62
BPD-2 <i>inc.</i>	47.24	54.86	7.62	4.16
BPD-2 <i>inc.</i>	60.96	86.87	25.91	4.01
BDD-4	9.14	24.08	14.94	4.78
BDD-4 <i>inc.</i>	12.19	22.25	10.06	6.63
BDD-5	37.95	53.95	16.00	1.13
BDD-5	58.83	87.17	28.35	1.34
BDD-5 <i>inc.</i>	65.23	71.93	6.71	1.95
BDD-5 <i>inc.</i>	73.46	76.20	2.74	1.63
BDD-5 <i>inc.</i>	80.77	87.17	6.40	1.70
BDR-9	28.96	85.34	56.39	5.02

BDR-9	inc. 35.05	54.86	19.81	12.70
BDR-9	inc. 73.15	83.82	10.67	2.15
LB023	44.20	56.39	12.19	6.79
LB023	inc. 44.20	48.77	4.57	8.04
LB023	inc. 50.29	54.86	4.57	9.53
LB080	228.60	274.32	45.72	2.06
LB080	inc. 252.98	274.32	21.34	2.77
LB084	224.03	251.46	27.43	1.49
LB084	inc. 236.22	242.32	6.10	1.87
LB084	245.36	251.46	6.10	2.00
LB119	170.69	204.22	33.53	1.67
LB119	inc. 170.69	182.88	12.19	2.44
LB119	inc. 192.02	202.69	10.67	2.23
LB120	216.41	230.12	13.72	2.01
LB120	inc. 217.93	222.50	4.57	4.50
LB120	236.22	254.51	18.29	2.10
LB120	inc. 240.79	246.89	6.10	2.97
LB120	inc. 249.94	252.98	3.05	4.95
LB121	249.94	275.84	25.91	3.86
LB121	inc. 249.94	259.08	9.14	4.08
LB121	inc. 263.65	275.84	12.19	5.00
LB122	249.94	262.13	12.19	4.85
LB122	inc. 251.46	259.08	7.62	7.72
LIM-45	22.86	36.58	13.72	3.24

Averages are calculated on intervals greater than 1.0 g/t Au. The above assays are from the assay database provided by McEwen.

#### *Asset Information - Cedar Wash - Untapped Exploration Potential in Nevada*

Cedar Wash consists of 239 unpatented mining claims on federal BLM land covering approximately 19.3 square kilometers located in Lincoln County, Nevada. The project was a grassroots exploration discovery made by the McEwen's Exploration Group in 2016. Surface reconnaissance geology has been completed on parts of the land package including soil and rock chip sampling, which identified an extensive gold soil trend spanning over 2 kilometers. The project was drilled in 2017 with approximately 7,000 meters of RC drilling completed. Drill results in the shallow RC holes showed positive signs of mineralization and will be further tested by Nevgold.

The project is located approximately 20 kilometers from Liberty Gold's Goldstrike Project in Utah and has similar geological characteristics.

Initial work at Cedar Wash will focus on completing all surface reconnaissance geology in the first half of 2021, followed by drill testing the identified targets within the large, consolidated land package in the second half of the year.

#### *Asset Information - Ptarmigan Mine - High Grade Exploration in British Columbia*

Ptarmigan is a 100% owned property covering 93 square kilometers (9,300 hectares) centered on the historical silver rich Ptarmigan Mine located approximately 50 kilometers from Radium in southeast British Columbia. The property hosts silver rich, high-grade polymetallic epithermal veins and manto style massive and semi-massive sulphide mineralization. Ptarmigan had historical results reported of 1,171 g/t Ag (34 oz/T Ag), 0.96 g/t of Au, 0.30% Cu and 29.7% Pb. The project is situated in a high-grade area of historical mining camps including Bluebell, Mineral King, and Paradise Mines.

Ptarmigan past production of 645 tonnes included 89,000 oz Ag with average mined grade of 4,215 g/t Ag, 5.4 g/t Au, 0.58% Cu, 0.54% Pb, 0.13% Zn including 32 tonnes mined from Adit #1 averaging 2,638 g/t Ag and 1.7 g/t Au.

Previously reported drill intercepts include:

- PT14-118 released October 7, 2014: 1,949 g/t Ag over 4.6 meters, including 5,919 g/t Ag over 1.49 meters, and 22,945 g/t Ag over 0.33 meters
- PT14-128 released October 15, 2014: 37.3 g/t Au over 0.77 meters
- PT14-108 released September 9, 2014: 2,315 g/t Ag, 1.64 g/t Au, and 1.10% Cu over 1.16 meters

Nevgold continues to review the historical work completed at the project by SMM including surface and soil mapping, geophysics, geochemical analysis, and approximately 14,000 meters of diamond drilling. The historical data compilation will form the basis of the 2021 summer exploration program.

#### *Shareholder Approvals*

The Company and Nevgold intend to seek shareholder approval for the Proposed Transaction and related matters as, and to the extent, required in accordance with the policies of the TSXV and applicable corporate and securities laws.

About Silver Mountain Mines Inc. (TSX-V: SMM) [Silver Mountain Mines Inc.](#) is a Canadian based exploration and development company with 100% ownership of a 9,300 hectare property centered on the historical silver rich Ptarmigan Mine in south eastern, British Columbia. The property hosts two styles of mineralization: silver rich, high-grade polymetallic epithermal veins and manto style massive / semi-massive sulphide mineralization.

#### ON BEHALF OF THE BOARD

"Signed"

Steve Konopelky  
Director

For further information on [Silver Mountain Mines Inc.](#) please visit the Company's website <http://www.silvermountainmines.com> and SEDAR ([www.sedar.com](http://www.sedar.com)) or contact Mr. Steve Konopelky, at 403-229-9140.

Bill Fleshman FAusIMM(CP) 107342, Consulting Geologist, a qualified person as defined by National Instrument 43-101 has reviewed and approved the scientific and technical disclosure in this press release related to the Limousine Butte and Cedar Wash Projects.

This news release does not constitute an offer to sell and is not a solicitation of an offer to buy any securities in the United States. The securities of the Company and Nevgold have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws unless pursuant to an exemption from such registration.

*Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and shareholder approval of the Proposed Transaction. The Proposed Transaction cannot close until all necessary shareholder approvals are obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.*

*The TSXV has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this news release.*

*Neither the 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.*

#### **Cautionary Note Regarding Forward Looking Statements**

*This news release contains certain forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate" "plans", "estimates" or "intends" or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements contained in this news release may include, but are not limited to, the terms, structure and completion of the Proposed Transaction, the terms and completion of the Concurrent Financing including the pricing and closing date thereof, Nevgold completing the acquisition of the Properties pursuant to the Asset Purchase Agreement, the management and board of directors of the Resulting Issuer on completion of the Proposed Transaction.*

*Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to materially differ from those reflected in the forward-looking statements. These risks and uncertainties include, but are not limited to: liabilities inherent in mine development and production; geological risks, risks associated with the effects of the COVID-19 virus, the financial markets generally, the satisfaction or waiver of the conditions precedent to the Proposed Transaction, the ability of Nevgold to complete the Concurrent Financing and the acquisition of the Properties pursuant to the Asset Purchase Agreement, and the ability of the Company and Nevgold to complete the Proposed Transaction and obtain requisite TSXV acceptance and shareholder approvals. There can be no assurance that forward-looking statement will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. The Company 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.*

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