

TDG Gold Corp. Announces Terms of Financing in Connection with the Acquisition of the Nueva Esperanza Silver-Gold Project

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WHITE ROCK, October 19, 2021 - [TDG Gold Corp.](#) (TSXV:TDG) (the "Company" or "TDG") is pleased to announce in connection with its acquisition of the Nueva Esperanza silver-gold project (the "Acquisition"), the Company will raise proceeds of at least \$35,000,000 through a brokered private placement of subscription receipts (the "Subscription Receipts") at a price of \$0.50 per Subscription Receipt (the "Offering"). As announced in the Company's press release dated July 27, 2021, BMO Capital Markets ("BMO") and RBC Capital Markets ("RBC", collectively with BMO, the "Lead Agents") are acting as co-lead agents in respect of a syndicate of agents (the "Agents") in respect of the Offering on a best-efforts basis.

Each Subscription Receipt will entitle the holder thereof, provided that the Escrow Release Conditions (as defined below) have been satisfied prior to the Termination Date (as defined below), to receive one unit of the Company (a "Unit"), consisting of one common share of the Company (a "Common Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), without payment of additional consideration or further action, upon the date (the "Qualification Date") which is the earlier of: (i) four months and a day after the closing of the Offering; and (ii) the third business day following the issuance of a receipt (the "Final Receipt") for a final short form prospectus qualifying the Common Shares and Warrants underlying the Subscription Receipts. The Company will use its commercially reasonable efforts to obtain a Final Receipt from the applicable principal regulator as soon as practicable following closing of the offering. In the event that the Final Receipt is not obtained by a date to be agreed between the Company and the Lead Agents, then each Subscription Receipt outstanding will, when deemed exercised on the Qualification Date, entitle the holder thereof to acquire a Unit consisting of 1.1 Common Shares and one-half of a Warrant without further payment on the part of the holder. The Warrants will have an exercise price and term to be determined in the context of the market.

The Subscription Receipts will be issued pursuant to a subscription receipt indenture (the "Subscription Receipt Agreement") to be entered into among the Company, the Lead Agents and a subscription receipt agent to be determined. Pursuant to the Subscription Receipt Agreement, the gross proceeds from the Offering (less 50% the Agents' Fee (as defined below), the Agents' reasonable out-of-pocket expenses, and the reasonable fees and disbursements of the Agents' legal counsel) (the "Net Escrowed Funds") will be held in escrow pending satisfaction of certain escrow release conditions (the "Escrow Release Conditions"), including (i) all necessary corporate, regulatory, and other approvals or consents necessary for the completion of the Acquisition and for the issuance of all securities upon the deemed exercise of the Subscription Receipts having been obtained; and (ii) all of the conditions precedent to the Acquisition (save solely for the payment of the purchase price thereof) shall have been satisfied. Upon satisfaction of the Escrow Release Conditions, the remaining portion of the Agents' Fee will be released to the Agents and the balance of the Net Escrowed Funds, together with any interest earned thereon, will be released to the Company. Notwithstanding the release of the Net Escrowed Funds to the Company and the Agents upon satisfaction of the Escrow Release Conditions and closing of the Acquisition, the Subscription Receipts will not convert into Common Shares until the Qualification Date, as described above.

If: (i) the Escrow Release Conditions have not been satisfied by 5:00 p.m. (Vancouver time) on the date that is four months and a day following the closing date of the Offering; (ii) the Acquisition is terminated at any earlier time; or (iii) the Company advises the Lead Agents, on behalf of the Agents, or announces to the public that it does not intend to proceed with the Acquisition (in any case, a "Termination Event", and the date upon which such event occurs, the "Termination Date"), the Subscription Receipts will be deemed to be cancelled and holders of Subscription Receipts will receive a cash amount equal to the offering price of the Subscription Receipts and any interest that was earned on the Net Escrowed Funds less any applicable withholding taxes. The Company will be responsible for any shortfall in the amount returnable to holders of Subscription Receipts in this event.

The Offering will raise minimum gross proceeds of \$35,000,000, up to a maximum of \$50,000,000. In

addition, the Agents shall have the option exercisable until 48 hours prior to the closing of the Offering, to increase the number of Subscription Receipts under the Offering by an additional 15%. The net proceeds of the Offering will be used to fund the payment of the first tranche of the purchase price of Acquisition, which will be due on closing, for exploration on the Nueva Esperanza project and the Company's other mineral projects, and for general corporate and working capital purposes.

The Agents shall be paid an aggregate fee (the "Agents' Fee") in cash equal to 6% of the gross proceeds of the Offering, except in respect of any "President's List" orders up to a maximum of \$5,000,000 of gross proceeds in respect of which the Agents shall be paid a fee equal to 3% of the aggregate gross proceeds.

All securities issued pursuant to the Offering will be subject to a statutory four-month hold period from the closing date of the Offering in accordance with Canadian securities legislation, subject to the prospectus qualification referred to above.

Nueva Esperanza

The Nueva Esperanza project is located in the northern half of the Maricunga Belt, 140 kilometres ("km") northeast of the city of Copiapo, which is a regional mining centre. It is situated at 4000-4200 metres ("m") elevation and has three mining areas, Arqueros, Chimberos and Teterita, with permits for development and associated water rights.

In July 2020, the Nueva Esperanza project was granted Environmental Impact Assessment approval allowing the pre-development, construction and operation of the project (see Kingsgate's news release dated July 14, 2020).

TDG has completed extensive legal and technical due diligence review on the Nueva Esperanza project and concluded that the project offers an opportunity for significant value creation for TDG's shareholders and other stakeholders, with the objective of transforming TDG into a silver-focused advanced exploration and development company.

TDG, as part of its due diligence, commissioned Sue Bird, P.Eng. of MMTS (Moose Mountain Technical Services) to undertake an independent mineral resource estimate for the Nueva Esperanza project in accordance with NI 43-101. On July 8, 2021, TDG announced a current mineral resource estimate for the Nueva Esperanza supported by an independent NI 43-101 technical report.

The Acquisition is subject to TSX Venture Exchange review and approval, and other conditions precedent, including the completion of the Offering.

About TDG Gold Corp.

TDG is a major holder of mineral claims and mining leases in the historical Toadoggone Production Corridor of north-central British Columbia, Canada, with over 23,000 hectares of brownfield and greenfield exploration opportunities under direct ownership or earn-in agreement. TDG's flagship projects are the former producing, high-grade gold-silver Shasta, Baker and Mets mines which are all road accessible, produced intermittently between 1981-2012, and have over 65,000 metres of historical drilling. In 2021, TDG proposes to advance the projects through compilation of historical data, new geological mapping, geochemical and geophysical surveys, and drill testing of the known mineralization occurrences and their extensions. The Company has entered into a binding agreement to acquire the Nueva Esperanza silver-gold advanced exploration and development project located in the Maricunga Belt of northern Chile, subject to closing conditions being satisfied. TDG currently has 70,867,903 common shares issued and outstanding.

ON BEHALF OF THE BOARD

Fletcher Morgan
Chief Executive Officer

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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.

This press release contains forward looking statements within the meaning of applicable securities laws. The use of any of the words "anticipate", "plan", "continue", "expect", "estimate", "objective", "may", "will", "project", "should", "predict", "potential" and similar expressions are intended to identify forward looking statements. In particular, this press release contains forward looking statements concerning the completion of the proposed acquisition of the Nueva Esperanza project, the completion of the Offering, and the potential development of the Nueva Esperanza project and the Company's existing mineral properties, including the completion of feasibility studies or the making of production decisions in respect thereof. Although the Company believes that the expectations and assumptions on which the forward looking statements are based are reasonable, undue reliance should not be placed on the forward looking statements because the Company cannot give any assurance that they will prove correct. Since forward looking statements address future events and conditions, they involve inherent assumptions, risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of assumptions, factors and risks. These assumptions and risks include, but are not limited to, assumptions and risks associated with the completion of other conditions precedent to the Acquisition, including the receipt of regulatory approvals, the state of equity financing markets, and results of future exploration activities by the Company.

Management has provided the above summary of risks and assumptions related to forward looking statements in this press release in order to provide readers with a more comprehensive perspective on the Company's future operations. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive from them. These forward looking statements are made as of the date of this press release, and, other than as required by applicable securities laws, the Company disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise.

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