

# Northern Lights Resources Corp. Announces Sale of Interest in Medicine Springs Project for \$2.2 Million

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[Northern Lights Resources Corp.](#) ("Northern Lights" or the "Company") (CSE: NLR, OTC: NLRCF) is pleased to announce that it has entered into an

Agreement, dated December 14, 2022 to sell its 25% interest in the Medicine Springs Project to Reyna Silver Corp. (TSX.V RSLV) for approximately \$2,200,000 (the "Transaction").

## Highlights

Reyna Silver will acquire NLR's 25% interest in the Medicine Springs Project in return for consideration of:

- US\$100,000 Cash Payment
- 6,000,000 shares of Reyna Silver Corp (as at Dec 14, 2022 - share price \$0.35, total market value \$2.1 million)
- 1% NSR Royalty over Medicine Project

NLR is to receive all consideration within 3 days of TSX.V and other required approvals for the Transaction being received.

Northern Lights CEO, Jason Bahnsen commented "The sale of our interest in Medicine Springs allows NLR to monetize value for the project now while retaining exposure to exploration upside with a 5% equity stake in Reyna Silver and a royalty over the project. We look forward to following the development of Medicine Springs."

## Medicine Springs Project

The Medicine Springs Project consists of 4,381 hectares of mineral claims located in Elko County Nevada (Figure 1). Medicine Springs is prospective to host a large-scale carbonate replacement deposit (CRD) containing silver, zinc and lead mineralization.

In 2017, Northern Lights entered into the Medicine Springs Option Agreement to acquire 100% of the Medicine Springs Project (see NLR announcement of August 20, 2017).

From 2017 to 2019, Northern Lights completed geophysical and soil sampling programs resulting in the identification of a strong NE-trending Pb-Zn-Ag soil anomaly with >2000 meters in length with widths ranging 350-500 meters.

In October 2020, Northern Lights entered into an agreement with Reyna Silver whereby Reyna Silver can earn up to a 75% interest (with an option to acquire an additional 5%) in the Medicine Springs Project, through the completion of minimum exploration work of US\$2.4m plus other cash payments (See NLR announcement of October 5, 2020).



Reyna Silver completed a further sampling program at the Medicine Springs Project in 2021 with results revealing a classic CRD Silver-Lead-Zinc-Copper zonation and outlining of NE-SW trending structures.

In September 2022, Reyna Silver began an initial 5,000 metre exploration drilling program at Medicine Springs (assays pending). The drilling program is targeting 4 key areas with the aim to define high-grade carbonate replacement deposit (CRD) sulfide mineralization at depth.

Medicine Springs shows most of the key features of large-scale CRDs, especially the three most important factors: location, structure, and grade. The geological setting at Medicine Springs is analogous to Taylor-Hermosa Zn-Pb-Ag deposit in Arizona (acquired by South32 for approximately \$CAD 1.9 billion in 2018).

Figure 1 - Medicine Springs Project Location

Figure 2 - Medicine Springs Current Drill Program Showing Drill Target Areas

#### The Transaction

Under the terms of the Transaction, Northern Lights will assign all of its rights and obligations under the Medicine Springs Option Agreement to Reyna Silver. Upon completion of the Transaction, Reyna Silver will have the option to acquire 100% of the Medicine Springs Project by completing the minimum exploration expenditure as per the Medicine Springs Option Agreement. Reyna Silver will be responsible for all obligations under the Medicine Springs Option Agreement including any consideration payments due to the project vendors from Northern Lights under the terms of the Medicine Springs Option Agreement.

In consideration for NLR's 25% interest in the Medicine Springs Option Agreement Reyna Silver will make the following consideration payments to NLR:

1. Cash Consideration Payment of US\$100,000; and
2. Equity Consideration Payment 6,000,000 common shares of Reyna Silver Corp. The Equity Consideration The Consideration Shares will be subject to contractual resale restrictions over a twenty-four (24) month period
3. 1% NSR Royalty over the Medicine Springs Project licenses. The royalty to NLR will not become effective until Reyna Silver has completed the Medicine Springs Option Agreement obligations and owns 100% of the project.

The Transaction is subject to TSX.V, and other regulatory approvals as required. No shareholder approvals are required. Closing is scheduled for 3 days after TSX.V approval and other closing conditions have been met.

NLR has agreed Finders fees totaling \$40,000 to be paid as common shares of NLR.

#### About Reyna Silver Corp.

Reyna Silver Corp. (TSXV: RSLV) is a growth-oriented junior exploration and development company focused on exploring for high-grade, district-scale silver deposits in Mexico and USA.

Reyna Silver Corp has a market capitalization of approximately \$41 million and a share price of \$0.35 with 117.1m shares on issue (as of December 14, 2022).

In addition to the Medicine Springs Projects, Reyna's principal properties are the Guigui and Batopilas Properties in Chihuahua, Mexico.



Guigui covers the interpreted source area for the Santa Eulalia Carbonate Replacement District (CRD) and Batopilas is believed to be the highest-grade silver system in Mexico's history, having produced an estimated over 300 Moz of native silver from ores that averaged over 1500 g/t. Reyna's work has identified a previously unrecognized gold overprint on the silver mineralization.

#### Competent Persons Statement

Information in this report relating to Exploration Results is based on information reviewed by Mr. Lee R. Beasley, a Certified Professional Geologist who is a Member of the American Institute of Professional Geologists, and a consultant to Northern Lights Resources. Mr. Beasley has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Qualified Person for the purposes of NI43-101 Standards of Disclosure for Mineral Projects. Mr. Beasley consents to the inclusion of the data in the form and context in which it appears.

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About Northern Lights Resources Corp.

[Northern Lights Resources Corp.](#) is a growth-oriented exploration and development company that is advancing two projects: The 100% owned, Secret Pass Gold Project located in Arizona; and the Medicine Springs silver-zinc-lead Project located in Elko County Nevada where Northern Lights, in joint venture with Reyna Silver are earning 100% ownership. Northern Lights Resources is a member of the Arizona Mining Association.

Northern Lights Resources trades under the ticker of "NLR" on the CSE and "NLRCF" on the OTCQB. This and other Northern Lights Resources news releases can be viewed at [www.sedar.com](http://www.sedar.com) and [www.northernlightsresources.com](http://www.northernlightsresources.com).

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:** This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the proposed private placement; use of funds; the business and operations of the Company after the proposed closing of the Offering. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; and the uncertainties surrounding the mineral exploration industry. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not



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