

Aura Resources Inc. Announces Proposed Acquisition of Territory Metals Corp.

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Ottawa, June 4, 2020 - [Aura Resources Inc.](#) (TSXV: AUU) ("Aura" or the "Company") is pleased to announce that it has entered into a definitive amalgamation agreement for the acquisition of Territory Metals Corp. ("Territory"), an unlisted private company located in British Columbia, subject to TSX Venture Exchange ("TSXV") approval. Territory's key asset is the Tip Top Gold project located in Esmeralda County, Nevada USA. The Tip Top Gold project is subject to an agreement of purchase and sale whereby Territory has a right to acquire a 100% interest in the project.

The Tip Top Gold Project

The Tip Top Gold project is comprised of 22 unpatented mining claims covering approximately 173 hectares. The property is located in Esmeralda County, NV at the north end of the White Mountains, five miles south of Montgomery Pass, which is on U.S. Highway 6 between Bishop, CA and Tonopah, NV. The project contains several low-sulfidation oxide gold-silver epithermal veins with low base metal contents which are peripheral to an altered rhyodacite intrusion emplaced into Jurassic-Cretaceous intrusive and a bimodal package of volcanic rocks. Two of the veins historically produced a total of 6,900 ounces of gold and some silver. Since 1980, the property has been drilled by five companies, with 143 drill holes totaling over 24,000 feet.

Selected historical high-grade drill hole intercepts from the Tip Top Gold project include the following:

- Hole TTD-02 returned 2.44 metres of 19.82 g/t Au from 20.20 metres depth (Hecla 2001, core drilling);
- Hole TTD-04 returned 2.59 metres of 7.89 g/t Au from 32.00 metres depth (Hecla 2001, core drilling);
- Hole T98-12 returned 4.57 metres of 16.31 g/t Au from 28.97 metres depth (Dos Amigos 1998, reverse circulation drilling); and,
- Hole T98-14 returned 9.14 metres of 14.42 g/t Au from 21.34 metres depth (Dos Amigos 1998, reverse circulation drilling).

Gold bearing intercepts above are drilled intervals and true width can not be determined at this time.

Historical drilling along the Tip Top vein, and particularly around the Tip Top adit, has identified gold-bearing veins and there is a good possibility of expanding the known mineralization along strike and to depth. Currently, there is not enough confidence in the historical data to support resource modeling. Regardless, there is significant exploration potential along the Tip Top vein system as well as other parallel veins.

To complete the acquisition of a 100% interest in the Tip Top Gold project Territory is required to issue the vendor its publicly traded shares (or shares of the resulting issuer of a going public transaction) equal to a value of US\$175,000 on or before May 12, 2021; and, pay an amount of US\$25,000 in cash on each of the first, second and third anniversaries of May 12, 2021. The vendor retains a 1% net smelter return ("NSR") royalty on the property and Territory shall pay the vendor a cash payment of US\$200,000 within 30 days of completion of a bankable feasibility study on the Tip Top Gold project. Territory may purchase the NSR royalty by paying the vendor US\$1,000,000.

Proposed Transaction Summary

- Aura to secure the Tip Top Gold project with significant exploration potential associated with known veins and underexplored adjacent veins and approximately \$288,000 in cash held by Territory.

- All share transaction with Territory shareholders to receive two Aura common shares for each one Territory share held, resulting in the issue of 26,581,400 common shares of Aura. The transaction is to be structured as a "three-cornered amalgamation" between Aura, Territory and a newly created Aura subsidiary such that Territory will become a wholly-owned subsidiary of Aura (the "Transaction").
- Territory will have a right to appoint its Chief Executive Officer, Mr. Gary Thompson as Chairman and director of Aura's board of directors upon closing of the Transaction.

Biography of Gary Thompson

Mr. Thompson is a co-founder of [Brixton Metals Corp.](#). He has 27 years' experience in resource exploration including precious and base metals, renewable power and unconventional oil and gas, and is a "qualified person" as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mr. Thompson was the president and CEO of Sierra Geothermal Power Corp. until 2010 when it was acquired by Ram Power Corporation. Mr. Thompson founded Cayley Geothermal Corp., which was acquired by Sierra Geothermal Power Corp. in 2006. Mr. Thompson has previously held positions with EnCana Corporation, Newmont Alaska Ltd. and [NovaGold Resources Inc.](#) Mr. Thompson is credited with the 1988 discovery of the TAG gold silver prospect which he sold to Taku Gold Corp. He was the vendor of Kodiak Copper's diamond assets and Solstice Gold's assets and is a holder of a 2% NSR for both diamonds and gold within a 35 km radial area located near Agnico Eagle's Meliadine Mine in Nunavut. Mr. Thompson is a professional geologist and an active member in good standing of both the Engineers and Geoscientists British Columbia and The Association of Professional Geoscientists of Ontario. Mr. Thompson holds a B.Sc. (honours) in Geology from the University of British Columbia.

Mr. Robert Johansing, CEO and director of Aura, commented: "The acquisition of Territory holding the Tip Top Gold project forms an interesting addition to Aura's existing project portfolio and enhances our focus on prospective gold projects located in the southwestern USA. We believe that the improving fundamentals for gold and interest in gold focused exploration plays at this time makes this acquisition an excellent opportunity for Aura. We look forward to working with Gary Thompson on the Aura board."

Mr. Gary Thompson, CEO and Director of Territory, commented: "We are excited to combine forces with Aura. The combined company will provide Territory shareholders with liquidity and exposure to Aura's portfolio of gold exploration properties specifically the Jefferson Canyon project which has generated very strong gold-silver results and is located near the producing Round Mountain Mine. I look forward to working with the Aura board of directors to ensure the success of this transaction and to unlock shareholder value in the combined portfolio of gold projects."

Description of Proposed Transaction

Subject to TSXV and all other necessary approvals, Aura and Territory have concluded an amalgamation agreement (the "Amalgamation Agreement") under which Aura will acquire all the outstanding common shares of Territory, whereby each one Territory share will be exchanged for two Aura common shares, resulting in Aura issuing a total of 26,581,400 common shares. In addition, Territory's 160,000 warrants to be outstanding upon closing of the Transaction will be exchanged for 320,000 warrants of Aura with equivalent terms.

The Transaction is to be structured as a "three-cornered amalgamation" between Aura, Territory and a newly created Aura subsidiary such that Territory will become a wholly-owned subsidiary of Aura under the laws of the Province of British Columbia (the "Amalgamation"). As part of the Amalgamation Agreement, Aura has agreed to use commercially reasonable efforts to reduce its indebtedness prior to the closing of the Transaction by way of shares for debt transactions. Mr. Gary Thompson will be appointed as Chairman and director of Aura's board of directors upon closing of the Transaction.

It is expected that a concurrent private placement financing of a minimum of \$500,000 and up to a maximum of \$1,000,000 (the "Financing") will occur as part of the Transaction. The details of the Financing and Aura shares for debt transactions will be announced separately in future press releases.

The proposed Transaction would result in Aura having a total of 59,441,528 common shares outstanding

prior to the concurrent Financing and any proposed Aura shares for debt transactions with Territory shareholders holding approximately 44.7% of the total common shares outstanding.

Completion of the proposed Transaction is subject to several conditions, including:

- All requisite regulatory approvals relating to the Transaction, including without limitation the TSXV;
- Territory seeking and obtaining requisite shareholder approval for the Transaction;
- Territory obtaining all consents and waivers contemplated in the Amalgamation Agreement; and
- No order or decree shall restrain or enjoin the consummation of the transactions contemplated by the Amalgamation Agreement.

The Transaction is a reviewable transaction under the policies of the TSXV. It is anticipated that trading in common shares of the Company will be halted until such time as the TSXV has determined that the Transaction will be acceptable based upon the Company's filing of all required documentation including the definitive Amalgamation Agreement; an independent National Instrument 43-101 Technical Report on the Tip Top Gold project; financial statements of Territory; and, other required filings.

Closing of the proposed Transaction is expected to occur on or about July 3, 2020, or such other date as the parties may mutually agree. The Transaction does not include any non-arm's-length parties and no finders' fees are to be paid in connection with the Transaction. There can be no assurance that the proposed Transaction, the Amalgamation or the Financing will be completed as proposed or at all. Trading in the securities of Aura should be considered speculative.

Qualified Person / Quality Control and Quality Assurance

Robert Johansing, M.Sc. Econ. Geol., P. Geo. is a qualified person ("QP") as defined by NI 43-101 and has reviewed and approved the technical content of this press release.

The QP has not verified the historical analytical data and procedures of previous operators related to drill hole intercepts from the Tip Top Gold project. A description of known analytical procedures and related limitations of past operators is as follows: (i) Dos Amigos used Barringer Laboratories for sample analysis, which was an accredited laboratory at that time. No records were available that discussed sample preparation or analytical procedures used, or the nature and extent of quality control measures used by Dos Amigos or Barringer Laboratories; and, (ii) Hecla submitted drill core samples to ALS Chemex in Reno, Nevada for analysis. The exact procedures used by Hecla and ALS Chemex during sample preparation and analysis were not available in the records. A Hecla summary report states that 12 check assays were selected from pulp samples. These, along with 10 standards and 22 blanks, were submitted to Bondar-Clegg in Vancouver, British Columbia for check analyses. No significant concerns regarding laboratory protocols were identified, and all check analyses were found to be within acceptable limits.

About Aura

Aura is a TSX Venture listed company engaged in the acquisition, exploration and development of precious metal prospects in Arizona, USA (Gold Chain project, subject to an option to earn a 100% interest), in Nevada, USA (Jefferson Canyon project, subject to an option to earn 100%), in Nunavut, Canada (37.6% interest in the Greyhound project under operation by our partner, [Agnico Eagle Mines Ltd.](#)), and, in Oaxaca, Mexico (20% owned Taviche project, operated by [Minaurum Gold Inc.](#)). Aura has 32,860,128 common shares outstanding.

For further information regarding this press release contact: Robert Johansing, President and CEO at (805) 455-4775 or by e-mail at rjohansing@gmail.com. Aura's web site is located at www.aurasilver.com.

FORWARD-LOOKING STATEMENTS: This press release may contain forward looking statements that are made as of the date hereof and are based on current expectations, forecasts and assumptions which involve

risks and uncertainties associated with our business including the uncertainty as to whether the proposed transactions including the amalgamation agreement, the proposed financing, the proposed shares for debt transactions expansion and growth of the business and operations, other financing activities of the Company, plans and references to the Company's future successes with its business and the economic environment in which the business operates. All such statements are made pursuant to the 'safe harbour' provisions of, and are intended to be forward-looking statements under, applicable Canadian securities legislation. Any statements contained herein that are statements of historical facts may be deemed to be forward-looking statements. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. We caution readers of this news release not to place undue reliance on our forward-looking statements as a number of factors could cause actual results or conditions to differ materially from current expectations. Please refer to the risks set forth in the Company's most recent annual MD&A and the Company's continuous disclosure documents that can be found on SEDAR at www.sedar.com. Aura does not intend, and disclaims any obligation, except as required by law, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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.

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