

Braveheart Completes Acquisition of Purcell Basin Minerals Inc.

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Calgary, January 21, 2019 - [Braveheart Resources Inc.](#) (TSXV: BHT) ("Braveheart" or, the "Company") is pleased to announce that it has completed the previously announced acquisition of Purcell Basin Minerals Inc. ("Purcell") pursuant to a Plan of Arrangement ("Plan") and made pursuant to the Companies' Creditors Arrangement Act ("CCAA").

Under the terms of the Plan, Braveheart settled all priority payables including the costs of the Court appointed Monitor under the CCAA proceedings, related legal expenses and the interim financing currently in place and being paid by the debtor in possession. The cash cost of the priority payables is \$1,184,652.

Braveheart will issue shares and warrants to CuVeras LLC ("CuVeras") and its unit holders. Braveheart will also issue shares to unsecured creditors of Purcell and will make an offer to existing shareholders of Purcell that, if accepted, would allow them to acquire new shares of Braveheart.

The unit holders of CuVeras LLC ("CuVeras"), one of two secured creditors of Purcell, have been issued 10 million common shares of Braveheart and 10 million warrants of Braveheart, with each warrant entitling the holder to purchase a Braveheart common share at a price of \$0.15 per share for a period of 12 months. Braveheart has purchased CuVeras' senior secured position for \$6,000,000 in the form of a convertible debenture, which will mature three years from the date of issuance. The debenture will accrue annual interest of 0%, 1% and 2% respectively in the first, second and third year of the debenture. After two years, 40% of the principal amount of the debenture can be converted into shares of Braveheart at a price of \$0.40 per share. After three years, the remaining 60% of the principal amount of the debenture can be converted into shares of Braveheart at a price of \$0.50 per share. If the convertible debenture is fully converted into common shares of Braveheart, an aggregate of 13,200,000 common shares would be issuable to CuVeras.

Highlands Pacific LLC and Highlands Pacific Partners LP and related entities controlled by Brendan MacMillan ("MacMillan Group"), the second secured creditor of Purcell, has been paid \$2,500,000 in exchange for releasing all claims against the assets of Purcell and all claims against CuVeras and those parties have settled all litigation between them.

Unsecured creditors of Purcell have received 30% of their claim value in common shares of Braveheart at a price of \$0.10 per share based on a satisfactory proof of claim, resulting in the issuance of 4,276,248 common shares of Braveheart. An additional 2,422,101 common shares of Braveheart have been reserved for issuance for the settlement of claims of unsecured creditors which have not yet been finally determined, but as of today's date have not been allowed by the Court appointed Monitor.

The Purcell equityholders will be given an offer to acquire up to 16.5 million units ("Units") of Braveheart. Each Unit will be comprised of one common share of Braveheart and one warrant, with each warrant entitling the holder to purchase a Braveheart common share at a price of \$0.15 per share for a period of 12 months. Each Purcell equityholder, regardless of how many Purcell shares held by such equityholder, will have to make a flat cash payment of \$1,000 for all the Units purchased.

In order to finance the cash costs of the transaction, Braveheart has entered into a loan agreement with Matlock Farms Ltd., a company controlled by Aaron Matlock, a director of Braveheart. The loan has a principal amount of \$5,000,000 and carries an interest rate of 14.8% for a term of four years. Interest will only accrue for the first two years, and commencing in the third year, Braveheart will be required to make blended payments comprised of principal and interest.

Due to the fact that Matlock Farms Ltd. is controlled by an insider and a related party of the Company, this

transaction is considered a "related party transaction" as set out in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on the exemption from the valuation requirements of MI 61-101 contained in section 5.5(a), and from minority approval requirements pursuant to section 5.7(f), due to the fact that the loan is on reasonable commercial terms that are not less advantageous to Braveheart than if the loan or credit facility were obtained from a person dealing at arm's length with Braveheart, and the loan is not convertible into equity securities of Braveheart.

The Company has completed a National Instrument 43-101 technical report in respect of the Gallowai Bul River Mine in the East Kootenays of southeast British Columbia. The report was completed by Moose Mountain Technical Services ("MMTS") on November 4th, 2018 and conforms to NI 43-101 Standards of Disclosure for Mineral Projects.

The report by MMTS estimates mineral resources in the indicated and inferred categories as outlined in Tables 1.1 and 1.2. The tables summarize indicated and inferred resources over a range of copper equivalent ("CuEq") cut-offs. Based on a 0.6% CuEq cut-off the estimated indicated mineral resource is 2.179 million tonnes at a grade of 1.809% CuEq. Based on a 0.6% CuEq cut-off the estimated inferred mineral resource is 0.513 million tonnes at a grade of 1.503% CuEq. The base case for potential underground mining of the deposit is highlighted in the resource tables.

Table-1 Bul River Deposit Mineral Resource Estimate - Indicated - Base Case Cut-off of 0.6% Equivalent Cu - Effective Date November 4, 2018

Cut-off Cu Eqv. (%)	In situ	In situ Grades				In Situ Metal			
	Tonnage (Ktonnes)	Cu Eqv. (%)	Cu (%)	Au (gpt)	Ag (gpt)	NSR (\$US)	Cu (000 lbs)	Au (kOz)	Ag (kOz)
0.4	2,678	1.564	1.307	0.315	10.5	93.12	77,198	27	903
0.6	2,179	1.809	1.517	0.352	12.2	107.70	72,902	25	857
0.8	1,809	2.038	1.716	0.381	13.9	121.33	68,409	22	810
1.0	1,511	2.263	1.911	0.407	15.6	134.69	63,670	20	758
1.2	1,280	2.473	2.095	0.430	17.2	147.23	59,128	18	708
1.4	1,091	2.677	2.273	0.451	18.8	159.36	54,687	16	659
1.6	924	2.891	2.460	0.472	20.5	172.09	50,112	14	608
1.8	790	3.093	2.637	0.490	22.2	184.12	45,951	12	563
2.0	674	3.299	2.818	0.504	23.9	196.35	41,905	11	519

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are estimated over a range of cut-off grades based on copper equivalent (CuEq). Equivalency factors include consideration of:
 1. Metal prices - US\$3.00 per lb Cu, US\$20 per oz Ag, and US\$1,300 per oz Au.
 2. Metallurgical recoveries - 90% Cu, 90% Ag, 70% Au
 3. $CuEqv = Cu\% + (Augpt \cdot 0.9 \cdot \$1300 / 31.1034 + Agppm \cdot 0.9 \cdot \$20 / 31.1034) / (\$3.00 \cdot 0.90 \cdot 22.0462)$
 4. A minimum mining width of 2.5m has been used to limit the resource to potential extractable mining widths
3. The operating costs used in estimating the cut-off grade are based Mining Cost = \$25/tonne, Processing Cost = \$10/tonne.
4. Numbers may not add due to rounding.

Table -2 Bul River Deposit Mineral Resource Estimate - Inferred - Base Case Cut-off of 0.6% Equivalent Cu - Effective Date November 4, 2018

Cut-off Cu Eqv. (%)	In situ	In situ Grades				Metal			
	Tonnage (Ktonnes)	Cu Eqv. (%)	Cu (%)	Au (gpt)	Ag (gpt)	NSR (\$US)	Cu (000 lbs)	Au (kOz)	Ag (kOz)
0.4	669	1.266	1.075	0.244	7.3	75.35	15,862	5	156
0.6	513	1.503	1.279	0.284	8.7	89.46	14,474	5	144
0.8	426	1.668	1.419	0.316	9.7	99.30	13,332	4	132
1.0	343	1.855	1.575	0.356	10.7	110.40	11,911	4	118

1.2	268	2.067	1.753	0.401	12.0	123.03	10,376	3	103
1.4	217	2.247	1.903	0.440	13.1	133.74	9,125	3	92
1.6	162	2.508	2.123	0.491	14.8	149.30	7,570	3	77
1.8	128	2.724	2.306	0.531	16.1	162.12	6,493	2	66
2.0	104	2.918	2.473	0.566	17.2	173.69	5,644	2	57

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are estimated over a range of cut-off grades based on copper equivalent (CuEq). Equivalency factors include consideration of:
 1. Metal prices - US\$3.00 per lb Cu, US\$20 per oz Ag, and US\$1,300 per oz Au.
 2. Metallurgical recoveries - 90% Cu, 90% Ag, 70% Au
 3. $CuEqv = Cu\% + (Augpt \cdot 0.9 \cdot \$1300 / 31.1034 + Agppm \cdot 0.9 \cdot \$20 / 31.1034) / (\$3.00 \cdot 0.90 \cdot 22.0462)$
 4. A minimum mining width of 2.5m has been used to limit the resource to potential extractable mining widths
3. The operating costs used in estimating the cut-off grade are based Mining Cost = \$25/tonne, Processing Cost = \$10/tonne.
4. Numbers may not add due to rounding.

The resource has been constrained to true thickness values of greater than 2.5 metres in order to apply reasonable prospects of eventual economic extraction of the resource. The average thickness of both the indicated and inferred resource is 5.5 metres. The verified database within the block model extents consists of 192 diamond drill holes and 430 underground channel samples. The channel samples and drillholes have been validated and there is no evidence to suggest a bias in either sampling program. Metallurgical studies indicate expected recoveries for copper at 90%, gold at 70% and silver at 90% as well as the presence of cobalt in the copper concentrate.

Neither Braveheart nor MMTS is aware of any legal, political, environmental, title, socio-economic, marketing, or other relevant factor or risk that could materially affect the mineral resource estimate or the potential to develop the mineral resource.

About Braveheart Resources Inc.

Braveheart is a Canadian based junior exploration company focused on building shareholder value through exploration and development in the favourable and proven mining jurisdictions of the East and West Kootenays of British Columbia. Braveheart's main asset is the past-producing Alpine gold mine near Nelson, British Columbia. In January 2018 Braveheart announced a NI 43-101 resource report for the Alpine mine which was prepared by Gary Giroux, P.Eng. Based on a cut-off grade of 5 g/t Au the Alpine mine has an estimated inferred resource of 268,000 tonnes at an average grade of 16.5 g/t Au, representing 142,000 ounces of gold.

About Purcell Basin Minerals Inc.

Purcell is a private mining company whose primary asset is the 100% owned Gallowai Bul River Mine in the East Kootenays of southeast British Columbia approximately 30 kilometres from Cranbrook. The mine site is a past producer of copper, gold and silver and currently is on care and maintenance. The property hosts the historic Dalton Mine which operated between 1971 and 1974. During that period 471,900 tonnes of mineralized material was milled resulting in the recovery of 126,123 grams (4,055 ounces) of gold, 6,353,628 grams (204,274 ounces) of silver and 7,256,050 kilograms (16.0 million lbs) of copper (BC MINFILE).

In December 2012 Snowden Mining Industry Consultants ("Snowden") completed an updated NI 43-101 technical report that outlined an indicated mineral resource of 1,730,000 tonnes at a grade of 1.8% CuEq and an inferred mineral resource of 1,430,000 tonnes at a grade of 1.7% CuEq. Braveheart commits to file a technical report within 45 days of the announcement on the System for Electronic Document Analysis and Retrieval ("SEDAR").

The mine is fully developed with 21,000 metres of underground developments in terms of ramps, raises and

drifting on mineralized structures on seven levels. The surface infrastructure includes a 750 tonne per day conventional mill with adjoining crushing facilities as well as offices and mine maintenance facilities. The property is connected to grid power and there is year-round access to the site by paved and all-weather roads.

Qualified Person

Braveheart's disclosure of a technical or scientific nature in this news release has been reviewed and approved by Ian Berzins, P.Eng., ICD.D who serves as CEO and Director of the Company and is a qualified person under the definition of NI 43-101.

Contact Information

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This news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements about strategic plans, future work programs and objectives and expected results from such work programs. Forward-looking information in this news release include, but are not limited to, statements with respect to completing the acquisition of Purcell, including raising the requisite funding to do so. Forward-looking information necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; and other risks.

Forward-looking information is 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 information and the risks identified in the Company's continuous disclosure record. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information contained in this news release is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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