

Energold Drilling Corp Announces Filing Under Companies' Creditors Arrangement Act, Commences Sales Process & Arranges \$3.7 Million Working Capital Facility

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Trading Symbols: "EGD:TSX.V | EGDF:US"

VANCOUVER, Sept. 16, 2019 - [Energold Drilling Corp.](#) ("Energold" or "the Company") and its wholly-owned Canadian subsidiaries, Bertram Drilling Corp., Cros-Man Direct Underground Ltd., EGD Services and Omniterra International Drilling Inc. (collectively the "Canadian Companies") today announced that the Canadian Companies have initiated proceedings at the Supreme Court of British Columbia (the "Court") to seek creditor protection under the Companies' Creditors Arrangement Act ("CCAA"). Energold's non-Canadian operating entities - including Energold de Mexico, S.A. de C.V., through which Energold operates its Mexican and Latin American business units, Energold Drilling Limited (UK), through which Energold operates its English, Middle-East, European, and African business units, and Bertram Drilling Inc, through which Energold operates its US business unit, are not subject to the CCAA proceedings and are not expected to be impacted by CCAA proceedings.

The filing for CCAA protection was made after careful consideration of the Company's strategic alternatives, and was made with the support of the Company's primary secured creditor, a syndicate of noteholders pursuant to a convertible note agreement dated June 15, 2017 (each a "Noteholder"), represented by Extract Advisors LLC ("Extract" or the "Agent") as administrative agent for the Noteholders. The Company expects that the CCAA proceedings, and contemplated sales process, will enable it to preserve value for stakeholders. The Company's interim management and financial advisor is Portage Point Partners and the Court has appointed FTI Consulting Canada Inc. as Monitor of the Company during this process.

All operations of Energold, the Canadian Companies, as well as the non-Canadian operating entities will continue uninterrupted in the ordinary course of business and every day obligations to employees, key suppliers of goods and services, and the Company's customers will, after the filing date, continue to be met on an ongoing basis.

In addition, Energold has entered into a binding working capital facility agreement ("WC Facility") of C\$3.7 million from Downtown Capital Partners LLC, ("DCP") one of the Noteholders, to provide liquidity to support its continued operations during the CCAA proceedings. The WC Facility demonstrates the strong support of the Noteholders for the Company during the restructuring process. The Company's management, including the Chief Restructuring Officer, will remain responsible for day-to-day operations under the general oversight of the Monitor. "The restructuring plan includes reducing the Company's debt load, cutting costs in our corporate office, completing the sale of Dando Drilling International, selling non-core assets and refocusing attention to the remaining operating units. We are particularly bullish on the minerals divisions, where we will be using the new C\$3.7million credit facility to invest in the ramp up of new projects. We are open for business and, after several lean years in our industry, now have sufficient liquidity to position ourselves to grow as we meet the resurgent demand for our drilling services that accompanies the dramatic rise in precious metals prices we have seen in 2019," said Mark Berger of Portage Point Partners, Energold's Chief Restructuring Officer.

"I am excited by the strong support shown by the Noteholders as demonstrated by DCP's provision of the C\$3.7 million WC Facility, which has provided us with the working capital we need to continue the dramatic rise in rig utilization we have experienced over the past four months. As we ramp back up to address the rebound in drilling activity, we will continue to provide our customers with the highest standard of service," said Marco Garrido, Director of Sales of Energold's Mexico division.

"We are pleased with the Noteholders' commitment as we continue to work through the recovery in the

drilling market globally, but particularly in West Africa," said Richard Thomas, Managing Director of Energold's EMEA division.

With the consent of the Noteholders, the Company has also obtained court approval to initiate a sale process to be conducted in conjunction with the CCAA proceedings, intended to permit interested parties to pursue the purchase of the business units and assets of the Company with the goal of maximizing value for all stakeholders of the Company. The sales process was developed in consultation with the Company's financial advisor, Ernst & Young Orenda Corporate Finance Inc. and the Monitor and has the support of the Agent and the majority of its Noteholders. As part of the sale process, Extract, as agent on behalf of the Noteholders, has submitted bids for each of Energold's key business units, including its Mexican and EMEA operations.

The Company also announced it has signed an auction agreement with Century Services Corp. for the sale of the assets of Bertram Drilling Corp. The Court has approved this agreement, and the Company will conclude the transaction as soon as possible. It is expected that the auction agreement will yield proceeds of at least C\$4.8 million.

ABOUT ENERGOLD DRILLING

Energold is a leading global specialty drilling company that services the mining, energy, infrastructure, geothermal, water and manufacturing sectors in 25 countries. Specializing in a socially and environmentally sensitive approach to drilling, Energold provides a comprehensive range of drilling services from early-stage exploration to onsite operations.

On behalf of the Directors of [Energold Drilling Corp.](#),

"Frederick W. Davidson"
President, CEO

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Some statements in this news release contain forward-looking information. These statements include, but are not limited to, statements with respect to proposed activities, work programs and future expenditures. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others, the effects of general economic conditions, a reduction in the demand for the Company's drilling services, the price of commodities, changing foreign exchange rates, actions by government authorities, the failure to find economically viable acquisition targets, title matters, environmental matters, reliance on key personnel, the ability for operational and other reasons to complete proposed activities and work programs, the need for additional financing and the timing and amount of expenditures. [Energold Drilling Corp.](#) does not assume the obligation to update any forward-looking statements. [Energold Drilling Corp.](#) (604) 681 9501 or via email at info@energold.com, 604 681 9543, 543 St. James St., Vancouver, BC V6C 1X8, www.energold.com; Telephone, 604 681 9501, Facsimile, 604 681 6813; info@energold.com

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