

# INV Metals Announces \$15.6 Million Private Placement and Strategic Investment by Dundee Precious Metals

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TORONTO, Oct. 21, 2019 - [INV Metals Inc.](#) ("INV Metals" or "Company") (TSX:INV) is pleased to announce a non-brokered private placement of common shares for gross proceeds of \$15.6 million (the "Private Placement"). [Dundee Precious Metals Inc.](#), a Canadian based international gold mining company ("DPM"), will become a strategic shareholder by investing \$10 million in the Private Placement, representing an approximate 19.5% equity interest in INV Metals upon closing, subject to certain terms and conditions. All dollar references are to Canadian dollars.

## Highlights

- INV Metals to complete the non-brokered Private Placement of \$15.6 million at a price of \$0.40 per common share.
- DPM will invest \$10 million and will be issued 25.0 million common shares, following which DPM will own approximately 19.5% of the outstanding common shares of INV Metals.
- As part of its strategic ownership interest, DPM is expected to provide valuable mining, processing, environmental and permitting expertise to assist INV Metals in advancing the Loma Larga Project.
  - DPM owns and operates the Chelopech mine in Bulgaria, an underground copper-gold mine, which has similar characteristics to the Loma Larga deposit with respect to geology, planned mining method and processing flow sheet.
  - DPM has also recently completed the successful permitting, construction and ramp-up of the Ada Tepe gold mine, also in Bulgaria, which is the first mine permitted within the Natura 2000 ecological network in Europe.
  - DPM owns the Tsumeb specialty smelter, located in Namibia, which could potentially process the complex copper gold concentrate from Loma Larga.
- IAMGOLD Corporation ("IAMGOLD") has also confirmed it will participate in the Private Placement to maintain its pro rata share ownership of approximately 35.6% through the purchase of 13,889,880 common shares (which represent 14.3% of the 97,297,960 currently outstanding common shares of INV Metals) at a price of \$0.40 per common share for proceeds of \$5.6 million.
- The proceeds of the Private Placement are expected to be used as follows:
  - Commence permitting efforts for Loma Larga.
  - An initial drill program at Tierras Coloradas, to begin once drill permits are received.
  - General corporate purposes.

Ms. Candace MacGibbon, CEO of INV Metals, stated, "We are very pleased to announce the strategic investment by DPM, a company with a strong management team and extensive project development experience. DPM shares our strong commitment to environmental and social responsibility, and stakeholder engagement, which will support our goal of advancing Loma Larga. The proceeds from the Private Placement will be used to advance the environmental permitting at Loma Larga and for drilling at our Tierras Coloradas gold target once permits are received."

She added, "I would also like to thank IAMGOLD for their past and continued strong support. On behalf of the Board of Directors, we look forward to working together to advance Loma Larga, utilizing the extensive international mine operating and development experience of our key shareholders."

Mr. Rick Howes, CEO of DPM, stated, "We are looking forward to working with the management team of INV Metals as a strategic shareholder as INV Metals advances Loma Larga through this next phase. We believe our technical experience, along with our shared commitment to the environment and communities where we operate, will be valuable to the team during development."

After closing, INV Metals will commence its environmental permitting efforts for Loma Larga. The Company

plans to relocate the process and tailings facility to land surface rights near the deposit. Updated economics and infrastructure engineering are expected to be completed over the next few months with the goal to submit permit applications in early 2020.

The Company also plans to commence an initial 2,000 m drill program at its Tierras Coloradas gold target as soon as the final water permit is received.

#### Details of Investor Rights Agreement

In connection with the Private Placement, INV Metals and DPM will enter into an investor rights agreement, the material provisions of which include:

- A standstill in effect for one year from the closing date of the Private Placement.
- DPM will have the right to maintain its pro rata interest in the common shares of the Company through participation rights in future financings, as long as DPM maintains a 10% interest in INV Metals, subject to certain terms and conditions.
- DPM will have the right to nominate one director to INV Metals's Board of Directors and one representative to a technical advisory committee as long as it maintains a minimum of a 10% interest.
- A voting arrangement whereby DPM will not vote any of its common shares against any annual general meeting matters or share compensation arrangements recommended for approval by shareholders by INV Metals's Board of Directors for one year after the closing date of the Private Placement.

The Company may also issue up to \$3 million of additional common shares at the Issue Price to other investors who wish to participate in the Private Placement, with up to \$500,000 of common shares being issued to investors who may be insiders of the Corporation (the "Participating Insiders"). The maximum number of common shares that may be issued to Participating Insiders is 1,250,000, which represents 1.3% of the 97,297,960 currently outstanding common shares of INV Metals. If the Company issues an additional \$3 million of common shares to other investors, IAMGOLD will be entitled to purchase an additional 4,039,675 common shares to maintain its pro rata share ownership of approximately 35.6%, so that IAMGOLD would purchase up to an aggregate of 17,929,555 common shares in the Private Placement (which represents 18.4% of the 97,297,960 currently outstanding common shares of INV Metals) at the Issue Price, and the maximum number of common shares that may be issued to insiders (being IAMGOLD and Participating Insiders) under the Private Placement is 19,179,555 common shares (which represents 19.7% of the 97,297,960 currently outstanding common shares of INV Metals).

Closing of the Private Placement is subject to the satisfaction of customary conditions, including approval of the Toronto Stock Exchange (the "TSX"). Pursuant to Section 607(g)(ii) of the TSX Company Manual, disinterested shareholder approval is required for the issuance of common shares to IAMGOLD and any Participating Insiders (the issuance to Participating Insiders, collectively with the issuance to IAMGOLD being referred to as the "Insider Issuance") in so far as the Insider Issuance is for more than 9,729,796 common shares, because any common shares issued in excess of this amount would represent more than 10% of the number of common shares outstanding prior to the closing of the Private Placement being issued within a six month period (the "Shareholder Approval Requirement"). The rules of the TSX provide that such approval may be obtained in writing from the holders of more than 50% of its common shares (excluding those held by IAMGOLD and any Participating Insiders) so that IAMGOLD can purchase all of the common shares it is entitled to purchase upon exercise of its pre-emptive rights and any Participating Insiders can participate in the Private Placement, without the requirement to convene a shareholders' meeting for such purposes, and the Company intends to obtain shareholder approval in connection with the Private Placement in such a manner. If the Company obtains written consent, closing of the Private Placement is expected to occur on or after October 28, 2019. DPM's subscription under the Private Placement is subject to, among other things, the requisite purchase of common shares by IAMGOLD prior to or concurrently with DPM's purchase such that DPM will hold not more than 19.9% of the Company's issued and outstanding common shares on closing of the Private Placement. In the event that the Shareholder Approval Requirement is not obtained prior to closing the Private Placement, the parties have agreed that the Private Placement shall be completed in tranches such that there be sufficient time to satisfy the Shareholder Approval Requirement and that DPM will hold not more than 19.9% of the Company's issued and outstanding common shares at any one time and the Insider Issuance will not be more than 9,729,796 common shares.

#### Related Party Disclosure

The participation by IAMGOLD in the Private Placement will be considered a "related party transaction" pursuant to Multilateral Instrument 61-101 "Protection of Minority Security Holders in Special Transactions" (MI 61-101) because IAMGOLD holds approximately 35.6% of the Company. The Private Placement will also be considered a related party transaction to the extent there are any Participating Insiders. The Company will be exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with participation of IAMGOLD or any Participating Insider in the Private Placement in reliance of Sections 5.5(a) and 5.7(1)(a) of MI 61-101 because the fair market value of such transaction does not exceed 25% of the Company's market capitalization as determined in accordance with MI 61-101. A material change report will be filed in connection with the Private Placement less than 21 days in advance of the closing of the Private Placement, which the Company deems reasonable in the circumstances so as to be able to avail itself of potential financing opportunities and to complete the Private Placement in an expeditious manner.

#### About INV<sup>TM</sup> Metals

INV<sup>TM</sup> Metals is an international mineral resource company focused on the acquisition, exploration and development of precious and base metal projects in Ecuador. Currently, INV<sup>TM</sup> Metals' primary assets are: (1) its 100% interest in the Loma Larga gold exploration and development property in Ecuador; and (2) its 100% interests in exploration concessions in Ecuador, including the Las Peñas, Tierras Coloradas, La Rebuscada and Carolina exploration projects.

#### About Dundee Precious Metals

[Dundee Precious Metals Inc.](#) is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. The Company's operating assets include the Chelopech operation, which produces a gold-copper concentrate containing gold, copper and silver and a pyrite concentrate containing gold, located east of Sofia, Bulgaria; the Ada Tepe operation, which produces a gold concentrate containing gold and silver, located in southern Bulgaria; and the Tsumeb smelter, a complex copper concentrate processing facility located in Namibia. DPM also holds interests in a number of developing gold and exploration properties located in Canada and Serbia, and its 10.3% interest in [Sabina Gold & Silver Corp.](#)

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#### Forward Looking Statements

This press release contains forward-looking information. Forward-looking information contained in this new release includes, but is not limited to, statements with respect to the Private Placement, including: the use of proceeds; the creation of the strategic relationship with DPM; the benefits from such relationship and entering into the investor rights agreement with DPM; the participation of other investors, including Participating Insiders; to the extent that other investors participate in the Private Placement, the percentage holdings of DPM; the full exercise by IAMGOLD of its participation right; the receipt of shareholder approval as required by the TSX; and the closing date. These statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Forward-looking information contained in this press release is based on certain factors and assumptions made by management and qualified persons in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management and the qualified persons believe are appropriate in the circumstances. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the results of future applications or referendums to differ from the results contained in this news release and the actual results, performance or achievements of the Company to be materially different from

any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to grade or recovery rates, reliance on key personnel, operational risks, regulatory, capitalization and liquidity risks. Please refer to the Company's Annual Information Form dated March 28, 2019 filed on SEDAR at [www.sedar.com](http://www.sedar.com) for other risks that could materially affect the Company. This list is not exhaustive of the factors that may affect any of the Company's forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking information. The Company does not undertake to update any forward-looking information that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

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