

# Buckhaven Capital Corp. Provides Update on its Proposed Qualifying Transaction

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Vancouver, Feb. 12, 2021 - [Buckhaven Capital Corp.](#) (TSXV: BKH.P) ("Buckhaven") is pleased to provide an update to its proposed qualifying transaction (previously announced on August 18, 2020 and November 3, 2020) (the "Transaction"). In furtherance of the Transaction, Buckhaven, 1271860 B.C. Ltd. ("Buckhaven Subco"), 1254688 B.C. Ltd. ("125"), and Ag-Mining Investments AB ("AG-Mining") have entered into a master agreement dated October 30, 2020 (the "Business Combination Agreement"), which sets forth the terms and conditions upon which 125 will acquire Buckhaven by way of reverse takeover in accordance with the policies of the TSX Venture Exchange ("TSXV"). As part of the proposed Transaction, the combined entity will be renamed "Andean Precious Metals Corp.". Upon completion of the proposed Transaction, the combined entity will continue to carry on the business of 125. It is intended that the proposed transaction, when completed, will constitute the qualifying transaction of Buckhaven pursuant to Policy 2.4 -- Capital Pool Companies of the TSXV corporate finance manual.

125 was incorporated under the Business Corporations Act (British Columbia), and its head and registered office is located in Vancouver, B.C. Ag-Mining is a Swedish investment firm and is the 100-percent owner of the San Bartolome silver operation in Potosi, Bolivia. Currently, Ag-Mining is processing ore from its own mining rights and ore purchased from independent third-party operators in Bolivia.

## Financing

In connection with the Transaction 125 is proposing to complete a best efforts brokered private placement of subscription receipts ("Subscription Receipts") comprised of 13,657,000 Subscription Receipts at a price of \$1.00 per Subscription Receipt for gross proceeds of \$13,657,000 ("Financing"). Sprott Capital Partners L.P. ("Sprott") is acting as agent in connection with the Financing. Each Subscription Receipt shall automatically convert to one common share of 125 (each, an "Underlying Share"), upon the delivery by the Corporation and Sprott to Capital Transfer Agency ULC (the "Escrow Agent") of a release notice signed by each of 125 and Sprott (the "Release Notice") confirming the satisfaction of certain conditions (collectively, the "Escrow Release Conditions") which will include, among other things, that all conditions precedent to the closing of the Transaction have been satisfied or waived including the receipt of all necessary regulatory approvals.

On closing the gross proceeds from the financing less 50% of Sprott's commission and all of its expenses will be placed into escrow with the Escrow Agent.

In the event that the Escrow Agent does not receive the Release Notice prior to 5:00 pm. (Toronto time) on March 30, 2021 (the "Release Deadline"), or if prior to such time, the Corporation advises Sprott or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Subscription Receipts shall be null and void and the Escrow Agent will disburse the escrowed funds together with interest to the subscribers and 125 will make up any shortfall between the amount of the escrowed funds and the original subscription price.

If the Escrow Release Conditions are satisfied on or before the Release Deadline the escrowed funds will be released to 125. Following their release to 125 it is anticipated that such funds will be used for operational, exploration and generative activities on the San Bartolome silver operation and for general corporate purposes.

Upon the satisfaction of the Release Conditions and following a consolidation of Buckhaven's outstanding common shares on a 1.5-for-1 basis ("Consolidation"), each Underlying Share will be exchanged for one post-Consolidation common share of Buckhaven ("Common Share"). Upon completion of the Transaction, all 125 common shares exchanged for Common Shares will not be subject to a legend except for any imposed by the TSXV.

In connection with the Financing, Sprott will receive a cash commission of 6% of the gross proceeds of the Financing, payable as to fifty percent (50%) on the closing date and as to the remaining fifty percent (50%) upon satisfaction of the Escrow Release Conditions and the release of the escrowed funds.

## Selected Pro Forma Consolidated Financial Information

The following table sets forth certain financial information of Buckhaven as at August 31, 2020 and of 125 as at September 30, 2020, and pro forma financial information as at September 30, 2020, for the resulting issuer, on a consolidated basis, after giving effect to the Transaction and the Concurrent Financing and certain other adjustments. All figures presented in the following table are presented in thousands of US dollars.

Buckhaven  
as at August  
31, 2020  
(unaudited)(1)  
(\$)

125  
as at  
September 30, 2020  
(unaudited)  
(\$)  
Pro Forma Adjustments  
(unaudited)  
(\$)  
Resulting Issuer  
Pro Forma

as at  
September 30, 2020  
(unaudited)  
(\$)

Balance Sheet Data

Current Assets	US \$191	US \$51,565	US \$9,262	US \$61,018
Total Assets	US \$191	US \$81,429	US \$9,262	US \$90,882
Current Liabilities	US \$3	US \$23,596	US (\$10,296)	US \$13,303
Total Liabilities	US \$3	US \$46,624	US (\$10,296)	US \$36,331
Shareholders' Equity	US \$188	US \$34,805	US \$19,558	US \$54,551

*(1) Financial information for Buckhaven in the following table was extracted in Buckhaven's presentation currency (Canadian dollars) and converted to US dollars at a fixed exchange rate of 1.00 to 1.30 USD, being the exchange rate as of August 31, 2020.*

## Update on the Transaction

In addition to completion of the Financing, the closing is conditional upon the Consolidation and Buckhaven's name being changed to "Andean Precious Metals Corp.", both of which will be effected by approval of Buckhaven's board of directors prior to closing. A technical report on the Properties will be filed on SEDAR following the closing.

In connection with the approval by the TSXV of the Transaction, Consolidation, name change and Financing, Buckhaven is in the process of preparing a filing statement in compliance with TSXV policies which will be filed under Buckhaven's profile on [www.sedar.com](http://www.sedar.com) no less than seven business days prior to completion. The filing statement will contain detailed information concerning 125 and its business and operations, including audited financial statements. Buckhaven anticipates that the Transaction will be completed on or before March 30, 2021.

Pursuant to the Transaction, it is anticipated that Buckhaven will acquire all of the common shares of 125 at the closing in consideration for 154,536,764 Buckhaven common shares at a deemed price of \$0.27 per share (post-Consolidation) as well as the issuance of 2,327,826 stock options and 7,200,000 RSUs. Following the closing of the Transaction it is anticipated that the current shareholders of Buckhaven will own approximately 1.5% of the outstanding Common Shares of Buckhaven and the shareholders of 125 will hold the remaining outstanding Common Shares.

## 125 and its Business

125 is a private company incorporated under the BCBCA on June 25, 2020 for the purpose of completing the Transaction. 125 is a holding company with operating subsidiaries in Bolivia which are engaged in the exploration, exploitation, treatment, refining and commercialization of ore containing silver and gold, which it extracts from its own mining rights and also through purchases from third parties' ore.

125's wholly-owned subsidiary, AG-Mining, completed the acquisition of a 100% interest in Empresa Minera

Manquiri SA ("Manquiri") from Coeur Mining, Inc. AG-Mining also holds a portfolio of early-stage mineral properties located in Bolivia and is currently conducting exploration activities on these properties.

Manquiri is a precious metal mining and processing company based in Bolivia with offices in La Paz, Potosi and Oruro. It owns and operates the San Bartolome mine and processing facility, near Potosi, Bolivia. Coeur completed construction at San Bartolome and commenced production in 2008. The primary source of revenue received by the corporate group of 125 is from the sale of ore from the San Bartolome mine directly to refiners.

To feed the San Bartolome Mill, Manquiri holds direct mining rights with the Bolivian state mining company, Corporacion Minera de Bolivia. Currently, these mining rights cover Manquiri's activities on three project areas, comprised of the following:

- San Bartolome
- El Asiento
- Tatasi-Portugalete

### **Management of the Resulting Issuer**

Under the articles of Buckhaven and applicable corporate law, the maximum number of directors that may be appointed without shareholder approval is four. At this time, on completion of the Transaction, the board is expected to consist of Mr. Luis da Silva, Mr. Alberto Morales, Mr. Fraser Buchan and Mr. Peter Gundy. Details of the proposed officers and directors of the resulting issuer are as follows:

Luis Cabrita da Silva, Proposed President and Chief Executive Officer and Director. Mr. da Silva is an experienced metals and mining executive having served as CEO of listed Canadian companies and at a senior level in multinationals. Mr. da Silva has a proven track record in value creation for shareholders by forging relationships and managing complex entities with large, international joint venture partners, including Severstal and POSCO. Between 2007 and 2013, Mr. da Silva presided over the restructuring of Mano River Resources resulting in the formation of Aureus Mining Inc, Afferro Mining Inc and Stellar Diamonds Ltd, all Canadian and/or London listed companies. Mr. da Silva served on the Board of all three companies and was instrumental in strategy development and multiple financings. Between 2014 and 2018, Mr. da Silva was president and CEO of GB Minerals Ltd until its acquisition by Castlake, L.P./Itafos. Since 2018, Mr. da Silva has been principal and co-founder of Ambercon International Holdings, a private resources company. He is a graduate Mining Engineer from the Camborne School of Mines and received his M.B.A. from the Cranfield School of Management.

Jeff Chan, Proposed Chief Financial Officer. Mr. Chan is an experienced financial executive in the mining and healthcare industries, having held senior leadership roles in several Canadian publicly held companies on the TSX, TSX-V and CSE. Most recently, Mr. Chan was the CFO of a privately held cannabinoid technology company. Previously, he served as Interim CFO and Vice President, Finance at Liberty Health Sciences, where he led the growth of its financial operations subsequent to Liberty's spinoff from Aphria Inc., and Vice President, Finance at Orvana Minerals Corp. where he closed several transformational debt financings. Mr. Chan is a Chartered Professional Accountant (CA, CPA) and holds a B.Comm from the University of Toronto.

Simon Griffiths, Proposed Chief Operating Officer. Simon Griffiths has extensive global experience in the resources industry, both public and private companies in developed and emerging economies. He is a Chartered Mining Engineer and Qualified Person (QP) having held senior technical and operational leadership roles. At TSX/ASX listed OceanaGold he was Director of Operations at Haile Gold mine after leading the technical due diligence for the \$480 million acquisition. At Newcrest Mining (ASX), TWSP Ltd and Solid Energy (NZX) Simon has managed multiple technical studies for major resource projects in Australia, West Africa, Mozambique, Philippines, Indonesia, New Zealand and USA. Commodity experience is mainly gold, silver and copper but also includes coal, iron ore and industrial minerals. He has championed environmental engineering in mine design, ore reserve governance protocols and re-engineered major mining operations delivering significant valuation uplift. He has an undergraduate B.Eng degree and Masters in Mining Engineering from Camborne School of Mines and a Masters in Mineral Economics from Curtin Business School, Western Australia.

Alberto Morales, Proposed Executive Chairman and Director. Alberto Morales has over 30 years of experience specialized in corporate finance, mergers and acquisitions and corporate restructurings. He has also participated individually in other private equity and venture capital projects as co-developer, investor and/or advisor in telecommunications, aviation, tourism, financial services and asset management, mining and alternative energy. He has participated in the planning, formation, development and consolidating stages of various start-up business ventures. He holds a Bachelor's degree in Law from the University of Monterrey

(1984) and a Master's degree in Compared Law from the New York University School of Law (1987), and was admitted to practice law in Mexico in 1985 and in the State of New York in 1989.

Robert Buchan, Proposed Director. Bob Buchan is the founder, former CEO and Chairman of Kinross Gold, the 5th largest gold producer in the world. Mr. Buchan has served as a director of numerous public companies, including as the chairman of Polyus Gold, the 4th largest gold producer in the world. Mr. Buchan has been an advocate for the mining industry in Canada and around the world, and has promoted education and innovation, mostly notably through the establishment and funding of the Robert M. Buchan School of Mining at Queen's University.

Peter Gundy, Proposed Director. Peter Gundy is the founder of Neo Material Technologies Inc. ("NEM"), serving as CEO and chairman from 1992 to 2008. Mr. Gundy created one of Canada's most successful small/medium enterprises operated by Canadians in China and South East Asia. With manufacturing plants in China and Thailand, NEM became #1 in the world in powerful high-tech magnetic materials for the world's electronic industries (NEM's proprietary material was used in every hard drive manufactured). NEM became # 1 globally in the production of advanced rare earths also used in the global electronics industries and automotive sector. In 2012, NEM was sold to Molycorp for \$1.1 billion. Mr. Gundy has served as a director with numerous publicly traded companies, including Banro Corp., True Gold Mining Inc., and Clifton Star Resources Corp.

Upon completion of the Transaction, the following persons are anticipated to beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the voting securities of Buckhaven:

Name and Municipality of Residence Amount Outstanding after Giving Effect to the Transaction with \$13,657,000 raised on the Concurrent Financing

Number of Securities Percentage of Total

PMB Partners LP, an Ontario limited partnership controlled by Alberto Morales 82,325,000

Common Shares 52.43%

2176423 Ontario Inc. an Ontario corporation controlled by Mr. Eric Sprott 21,854,664

Common Shares 13.92%

### **Additional Transaction Information**

The proposed Transaction is not a "Non-Arm's Length Qualifying Transaction" within the meaning of TSXV Policy 2.4 Capital Pool Companies, therefore approval of Buckhaven's shareholders is not required.

The Company entered into a finder's fee agreement with Cottingham Capital LLC, a corporation existing pursuant to the laws of Tennessee (the "Finder"). Pursuant to the terms of the finder's fee agreement, and subject to TSXV approval, the Finder shall receive a fee of 116,667 Common Shares at a deemed issue price of \$0.36 per share. The Finder is arm's length to all parties.

Buckhaven will be seeking a waiver of the sponsorship requirements of TSXV Policy 2.2 Sponsorship and Sponsorship Requirements, but there is no assurance that such waiver will be granted.

Trading in the Buckhaven Common Shares has been halted as a result of the signing of the Business Combination Agreement. Trading in the Buckhaven Common Shares will remain halted pending the review of the proposed Transaction by the TSXV. There can be no assurance that trading in the Buckhaven shares will resume prior to the completion of the Transaction.

### **Additional Information**

All information contained in this press release with respect to Buckhaven and 125 was supplied by the respective parties, for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

Additional terms of the Transaction were previously disclosed in the press releases of Buckhaven and 125 dated August 18, 2020 and November 3, 2020 and are available on Buckhaven's SEDAR profile at [www.sedar.com](http://www.sedar.com)

### **For further information:**

[Buckhaven Capital Corp.](#)

Bob Buchan, Director

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Fraser Buchan, Director  
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### **Reader Advisory - Cautionary Statements**

*Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*This press release may contain forward-looking information, such as statements regarding the completion of the Transaction, the satisfaction of the Escrow Release Conditions and the conditions to closing, the use of the proceeds from the Financing, and future plans and objectives of Buckhaven. There can be no assurance that such statements will prove to be accurate and actual results, and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Buckhaven's expectations include the failure to satisfy the conditions to completion of the Transaction set forth above and other risks detailed from time to time in the filings made by the Company pursuant to applicable Canadian securities laws.*

*The reader is cautioned that assumptions used in the preparation of any forward-looking statements herein may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Buckhaven. As a result, Buckhaven cannot guarantee that the Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect, and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.*

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