

# **Eskay Mining and P2 Gold Agree to Combine to Focus on Gold and Copper Exploration and Development in the Golden Triangle and Nevada**

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VANCOUVER, June 4, 2024 - [Eskay Mining Corp.](#) ("Eskay") (TSXV: ESK) (OTCQX: ESKYF) and P2 Gold Inc. ("P2") (PGLD) (OTCQB: PGLDF) (together, the "Companies") are pleased to announce that they have entered into non-binding intent (the "Letter Agreement") dated June 4, 2024 pursuant to which Eskay has agreed to acquire P2 in a business combination transaction (the "Proposed Transaction").

Under the terms of the Letter Agreement, each outstanding common share in the capital of P2 on a diluted basis, as defined below, (each, a "P2 Share") will be exchanged for 0.2778 of a common share in the capital of Eskay (each, an "Eskay Share") subject to customary adjustment (the "Exchange Ratio"). Upon completion of the Proposed Transaction, existing Eskay shareholders are expected to own approximately 80% of the combined company resulting from the Proposed Transaction ("Combined Company") and P2 shareholders are expected to own approximately 20% of the Combined Company.

The Letter Agreement provides for the parties to enter into a definitive arrangement agreement setting out the final terms and conditions of the Proposed Transaction, at which time additional information will be provided in a subsequent news release.

Mac Balkam, President and CEO of Eskay commented, "With this transaction, Eskay has taken a significant step towards becoming the next major resource in the Golden Triangle. The P2 Team, led by Joe Ovsenek, is second to none in producing resource area. The addition of the Gabbs property in Nevada puts Eskay on a totally different level as resource explorer."

"The Eskay-Corey Property is the most prospective ground in the Golden Triangle without a major discovery to date," commented Joe Ovsenek, President and CEO of P2. "We look forward to getting on the ground this summer and bringing our exploration and development experience in the Golden Triangle over the last 20 years to bear on Eskay-Corey. In Nevada, we plan to move forward with additional metallurgy as the first step in advancing Gabbs to production."

#### Transaction Highlights

- The Combined Company will be managed by the team that discovered and developed the Brucejack Mine in the Golden Triangle. Joe Ovsenek, currently President and CEO of P2 will become President and CEO of the Combined Company and Mac Balkam, currently President and CEO of Eskay will become Chair of the Combined Company.
- The Eskay-Corey Property in the Golden Triangle of British Columbia will be the initial exploration focus.
- Concurrently with the execution of the Letter Agreement, Eskay and P2 signed an exploration services agreement under which P2 has agreed to plan and execute an exploration program on the Eskay-Corey Property for the 2024 exploration season.
- P2's PEA-stage, gold-copper Gabbs Project in Nevada complements Eskay's Eskay-Corey Property, with year-round access for exploration and development.
- The Combined Company will benefit from increased scale with improved access to capital markets and a solid portfolio of exploration and development projects to anchor the growth of the company.

#### Summary of the Proposed Transaction

The Proposed Transaction is expected to be completed by way of a court-approved plan of arrangement under the Business Corporations Act (British Columbia). Under the terms of the Letter Agreement, Eskay will acquire all of the issued and outstanding P2 Shares in exchange for Eskay Shares on the basis of the Exchange Ratio. Outstanding options and warrants to purchase P2 Shares will become exercisable to acquire Eskay Shares on the same terms and conditions, on the basis of the Exchange Ratio.

P2 will require the holders of its convertible debentures issued on March 5, 2024 and March 4, 2024 (the "Convertible Debentures") to convert the outstanding net principal amount (\$1,665,000) into P2 Shares (the "Convertible Debenture Conversion") in accordance with the terms of the convertible debentures on the closing (the "Closing") of the business combination. P2 intends to settle interest accrued on the Convertible Debentures up to the Closing for P2 Shares (the "Interest Shares") in accordance with the terms of the Convertible Debentures, subject to the approval of the TSX Venture Exchange (the "Exchange").

P2 has agreed with certain insiders of P2 to settle \$1,238,524 in shareholder loans previously provided for working capital for 10,321,032 P2 Shares (the "Loan Shares") at a deemed price of \$0.12 (the "Loan Settlement"). The Loan Settlement is subject to approval of the Exchange. The Loan Settlement with such insiders will be a "related party transaction" under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Loan

Settlement with each of these individuals is exempt from the minority approval and formal valuation requirements of MI pursuant to subsections 5.5(a) and 5.7(1)(a) of MI 61-101 as neither the fair market value of the debt, nor the fair market value of the shares to be issued in settlement of the debt, exceeds 25% of P2's market capitalization.

The Convertible Debenture Shares, Interest Shares and Loan Shares were included in the issued and outstanding shares of P2 in determining the Exchange Ratio.

The Proposed Transaction will require the approval of: (a) (i) two-thirds of the votes cast by shareholders of P2, and, if (ii) a simple majority of the votes cast by minority P2 shareholders in accordance with Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"), at a special meeting of P2 shareholders expected to take place in the third quarter of 2024 (the "P2 Meeting"); and (b) if required, Eskay shareholders at a special meeting of Eskay shareholders expected to take place in the third quarter of 2024 (the "Eskay Meeting").

Completion of the Proposed Transaction will be subject to customary closing conditions and receipt of necessary court and regulatory approvals, including Exchange approval. Subject to receipt of all necessary approvals, the Proposed Transaction is expected to close by no later than 5:00 p.m. on October 31, 2024 (the "Effective Time").

A copy of the Letter Agreement will be filed on Eskay's and P2's SEDAR+ profiles at [www.sedarplus.com](http://www.sedarplus.com). Prior to entering into a definitive arrangement agreement, all directors and officers of P2 will enter into customary support and voting agreements.

The Letter Agreement provides for the parties to enter into a definitive arrangement agreement setting out the final terms and conditions of the Proposed Transaction on or before June 28, 2024. The Letter Agreement includes, and the arrangement agreement will continue to include other provisions such as conditions to closing the Proposed Transaction, and representations and warranties and covenants customary for arrangement agreements. Further details with respect to the Proposed Transaction will be included in the arrangement agreement and in an information circular to be mailed to P2 shareholders in connection with the P2 Meeting and to Eskay shareholders in connection with the Eskay meeting (if required). Once available, copies of the arrangement agreement and information circular will be filed on each of Eskay's and P2's SEDAR+ profiles at [www.sedarplus.com](http://www.sedarplus.com), as applicable.

#### Fairness Opinion

Prior to entering into a definitive arrangement agreement, the disinterested members of the board of directors of P2 will engage a financial advisor to provide P2 with an opinion stating that the consideration offered pursuant to the Letter Agreement and subsequent definitive arrangement agreement is fair, from a financial point of view to the holders of P2 Shares.

#### Exploration Services Agreement

Eskay and P2 signed an exploration services agreement under which P2 has agreed to plan and execute an exploration program on the Eskay-Corey Property for the 2024 exploration season. Planning for the exploration program has commenced and P2 expects to have crews on the ground in early July with drilling planned for later in the summer.

About [Eskay Mining](#) Corp:

[Eskay Mining Corp.](#) (TSXV: ESK) is a TSX Venture Exchange listed company, headquartered in Toronto, Ontario. Eskay is a mineral exploration company focused on the exploration and development of precious and base metals along the Eskay rift in a prolific region of northwest British Columbia known as the "Golden Triangle," 70km northwest of Stewart, BC. Eskay currently holds mineral tenures in this area comprised of 177 claims (52,600 hectares).

All material information on Eskay may be found on its website at [www.eskaymining.com](http://www.eskaymining.com) and on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

About [P2 Gold Inc.](#)

[P2 Gold](#) is a mineral exploration and development company focused on advancing its gold-copper Gabbs Project on the Lane Trend in Nevada. A positive preliminary economic assessment has outlined a long-life, mid-size mine at Gabbs with an annual average production of 104,000 ounces gold and 13,500 tonnes copper over a 14.2 year mine life.

This News Release should not be considered a comprehensive summary of the Proposed Transaction. Additional information will be disseminated at a future date. Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to, TSXV approval. The Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Information Circular to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

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

#### Forward Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

In this news release, forward-looking statements relate to, among other things, statements regarding: the Proposed Transaction; the definitive arrangement agreement that the parties anticipate entering into in connection with the Proposed Transaction; the receipt of necessary shareholder, court and regulatory approvals for the Proposed Transaction; the anticipated timeline for completing the Proposed Transaction; the terms and conditions pursuant to which the Proposed Transaction will be completed, if at all; the anticipated benefits of the Proposed Transaction; the Combined Company; the future financial and operational performance of the Combined Company; the Combined Company's exploration and development programs; and potential future revenue and cost synergies resulting from the Proposed Transaction. These forward-looking statements are not guarantees of future results and involve risks and uncertainties that may cause actual results to differ materially from the potential results discussed in the forward-looking statements.

In respect of the forward-looking statements concerning the Proposed Transaction, including the entering into of the definitive arrangement agreement, and the anticipated timing for completion of the Proposed Transaction, the Eskay and P2 have relied on certain assumptions that it believes are reasonable at this time, including assumptions as to the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory, court, shareholder, stock exchange and other third party approvals and the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the Proposed Transaction. This timeline may change for a number of reasons, including unforeseen delays in preparing meeting materials; inability to secure necessary regulatory, court, shareholder, stock exchange or other third-party approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Proposed Transaction. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times.

Risks and uncertainties that may cause such differences include but are not limited to: the risk that the Proposed Transaction may not be completed on a timely basis, if at all; the conditions to the consummation of the Proposed Transaction may not be satisfied; the risk that the Proposed Transaction may involve unexpected costs, liabilities or delays; the possibility that legal proceedings may be instituted against the Eskay, P2 and/or others relating to the Proposed Transaction and the outcome of such proceedings; the possible occurrence of an event, change or other circumstance that could result in termination of the Proposed Transaction; risks relating to the failure to obtain necessary shareholder and court approval; other risks inherent in the plant-based food industry. Failure to obtain the requisite approvals, or the failure of the parties to otherwise satisfy the conditions to or complete the Proposed Transaction, may result in the Proposed Transaction not being completed on the proposed terms, or at all. In addition, if the Proposed Transaction is not completed, the announcement of the Proposed Transaction and the dedication of substantial resources of Eskay and P2 to the completion of the Proposed Transaction could have a material adverse impact on each of Eskay's and P2's share price, its current business relationships and on the current and future operations, financial condition, and prospects of each of Eskay and P2.

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