

EARL RESOURCES LIMITED RECEIVES CONDITIONAL APPROVAL OF CHANGE OF BUSINESS TRANSACTION FROM TSX VENTURE EXCHANGE

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VANCOUVER, BRITISH COLUMBIA – June 3, 2022 – Earl Resources Limited (“**Earl Resources**”) (TSXV: ERL.H), further to its press releases dated November 26, 2021 and February 28, 2022, is pleased to announce that it has received conditional approval from the TSX Venture Exchange (the “**TSXV**”) for its proposed “Change of Business” (the “**Proposed COB**”), as such term is defined in Policy 5.2 of the TSXV (“**Policy 5.2**”).

Proposed COB

It is intended that the Proposed COB will constitute Earl Resources’ “reactivation” under the Policies of the TSXV and that upon completion of the Proposed COB (“**Closing**”) and satisfaction of all conditions of the TSXV, Earl Resources will have its listing transferred from the NEX board of the TSXV (“**NEX**”) to the TSXV. In connection with Closing, it is anticipated that Earl Resources will change its name to “Klimat X Development Inc.” (subject to applicable regulatory approvals and approval of the TSXV), in order to more accurately reflect its operations and business. For further details on the Proposed COB, please see Earl Resources’ press releases dated November 26, 2021 and February 28, 2022.

Filing Statement

In connection with the Proposed COB and pursuant to TSXV requirements, Earl Resources has prepared and intends to file a filing statement (the “**Filing Statement**”) outlining the terms of the Proposed COB and providing detailed information respecting Earl Resources’ ongoing business and operational plans and expectations following Closing. The Filing Statement will be filed under Earl Resources’ profile on SEDAR at www.sedar.com.

Closing

Final approval of the Proposed COB by the TSXV remains subject to a number of conditions, including the filing of the Filing Statement and other conditions customary for transactions of this nature. Closing is intended to occur the week of June 6, 2022 and trading of the common shares of Earl Resources (the “**Common Shares**”) on the TSXV is anticipated to resume the following week.

Subscription Receipt Financing

Earl Resources is also pleased to announce that, further to its press release dated February 1, 2022, it has closed the second and final tranche of the non-brokered private placement (the “**Concurrent Financing**”) of subscription receipts (“**Subscription Receipts**”) of Earl Resources at a price of CAD\$0.45 per Subscription Receipt for aggregate gross proceeds of CAD\$100,035.

An aggregate of 20,705,127 Subscription Receipts were issued in connection with the Concurrent Financing on January 28, 2022, February 1, 2022 and May 30, 2022. Each Subscription Receipt entitles the holder thereof to receive, upon the satisfaction of certain escrow release conditions (the “**Escrow Release Conditions**”), including all conditions precedent to the Proposed Transactions being satisfied, and without any further action by the holder of such Subscription Receipt and for no further payment, one Common Share. The gross proceeds of the Concurrent Financing together with any interest earned thereon (the “**Escrowed Funds**”) have been deposited in escrow with Odyssey Trust Company, the subscription receipt agent, until the satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions. For further details on the Concurrent Financing, please see Earl Resources’ press release dated February 1, 2022.

Trading Halt

In accordance with Policy 5.2, the Common Shares are currently halted from trading and are expected to remain halted pending the requirements of Section 2.5 of Policy 5.2 being met.

Additional Information

For further information:

Earl Resources Limited

Christopher Colborne
Suite 390, 1050 Homer Street
Vancouver, British Columbia V6B 2W9
Phone: 1-778-373-3736

Reader Advisory

Completion of the Proposed COB is subject to a number of conditions, including but not limited to, final TSXV acceptance and if applicable, disinterested shareholder approval. Where applicable, the Proposed COB cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed COB will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the filing statement 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 Earl Resources should be considered highly speculative. The TSXV has in no way passed upon the merits of the Proposed COB and has neither approved nor disapproved the contents of this news release.

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

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “will”, “intends” “expects” and similar expressions which are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning: the proposed change of name of Earl Resources; that the Proposed COB will constitute the “reactivation” of Earl Resources under the policies of the TSXV; the preparation and filing of the Filing Statement; the closing date of the Proposed COB; the date for the resumption of trading of the Common Shares on the TSXV; and the Escrow Release Conditions. Earl Resources cautions that all forward-looking statements are inherently uncertain, and that actual performance may be affected by a number of material factors, assumptions and expectations, many of which are beyond the control of Earl Resources, including expectations and assumptions concerning Earl Resources, the Proposed COB, the timely receipt of all required TSXV, third-party and regulatory approvals and exemptions (as applicable) and the satisfaction of other closing conditions in accordance with the terms of the Proposed COB. The reader is cautioned that assumptions used in the preparation of any forward-looking information 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 Earl Resources. 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 press release are expressly qualified by this cautionary statement.

The forward-looking statements contained in this press release are made as of the date of this press release, and Earl Resources does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

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