

American CuMo Mining Announces Terms of Silver Purchase Financing

Vancouver, British Columbia--(Newsfile Corp. - February 24, 2021) - American CuMo Mining Corporation (**TSXV: MLY**) (**OTC Pink: MLYCF**) is pleased to announce that it has finalized the terms of its proposed US\$12,500,000 financing (the "ICMC Silver Financing") involving the sale of up to 12,500 units ("ICMC Silver Units") by its majority owned subsidiary, International CuMo Mining Corporation ("ICMC") at a price of US\$1,000 per ICMC Silver Unit, with each ICMC Silver Unit consisting of a non-transferable promissory note in the principal amount of US\$1,000 (a "Note") and a right (the "Silver Purchase Right") to enter into a silver purchase and sale agreement (a "Silver Purchase Agreement") with ICMC. The Notes would be secured against certain assets of ICMC; bear interest at a rate of 7.5% per annum payable or accruable semi-annually on June 30 and December 31; and have a term of 7 years. With the consent of the holder of the Note, ICMC could prepay all or any portion of the principal amount outstanding under such Note at any time, provided that any prepayment in whole or in part of the Note would cause the Silver Purchase Right to immediately expire.

The Silver Purchase Right would be exercisable by the holder within 30 days of a decision by the Company to place its CuMo Project located in Idaho into commercial production provided that the Note had not been repaid in full or in part by the Company. Each Silver Purchase Right would, if exercised, require the purchaser to purchase and ICMC to sell to the purchaser refined silver in an amount equal to 1,000 ounces of refined silver pursuant to a Silver Purchase Agreement.

If all ICMC Units under the ICMC Financing are issued and all Silver Purchase Rights were exercised, ICMC would be required to sell up to a maximum of 12,500,000 ounces of refined silver, which silver would be deliverable from the silver produced from the CuMo Project. Upon exercise of the Silver Purchase Right, the purchaser would pay an upfront cash payment of US\$1,000 (the "Deposit") per Silver Purchase Right exercised upon execution of the Silver Purchase Agreement, which payment would be made by way of a set off against repayment of the principal amount of loans owing by ICMC to the purchaser. The Deposit would be unsecured.

The purchase price for each ounce of refined silver purchased would be comprised of (a) an ongoing cash payment ("Ongoing Payment"), being the lesser of (i) the London silver spot price and (ii) US\$5/oz, subject to an inflationary adjustment; and (b) a deposit reduction amount, being the amount by which the silver spot price exceeds the Ongoing Payment, paid as a reduction to the Deposit and payable until such time as the Deposit is reduced to zero.

The term of the Silver Purchase Agreements would continue until the earlier of (i) the date on which the total silver ounces have been delivered to the purchaser; and (ii) 40 years (subject to automatic 10-year renewals if the CuMo Project is in operation). Any uncredited balance of the Deposit at the end of a Silver Purchase Agreement's term would be refunded to the purchaser.

The Company is in the process of applying to list the ICMC Units for trading on the MTF division of the Vienna Stock Exchange.

The transaction is subject to the approval and consent of the TSX Venture Exchange.

Proceeds from the ICMC Financing will be used to further develop the Company's flagship asset, the CuMo Project, a large molybdenum, copper, and silver property located in Idaho, including: updating the resource calculation, updating the economic analysis, expanding metallurgical testing, conducting in-fill drilling and conducting environmental base-line studies, as well as to reduce current trade payables and for general working capital purposes and also to initiate the data gathering and exploration work to be conducted at its recently acquired Bleiberg project. Finder's fees, in accordance with TSX Venture policy, will be paid in connection with the ICMC Financing.

About American CuMo Mining

CuMoCo is focused on advancing its CuMo Project towards feasibility. Management is continuing to build an even stronger foundation from which to move the Company and its projects forward. For more information, please visit www.cumoco.com, www.idahocumo.com and www.cumoproject.com.

For further information, please contact:

American CuMo Mining Corporation

Shaun Dykes, President and Chief Executive Officer

Tel: (604) 689-7902

Email: info@cumoco.com

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

Cautionary statement regarding forward-looking information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation including, but not limited to, statements that address activities, events or developments that the Company expects or anticipates will or may occur in the future, such the Company's ability to move its CuMo Project to feasibility and production, and to become one of the largest and lowest-cost molybdenum producers in the world as well as a significant producer of copper and silver. Forward-looking information is based on a number of material factors and assumptions, including the result of exploration activities, the ability of the Company to raise the financing for a feasibility study and to put the CuMo project into production, that no labour shortages or delays are experienced, that plant and equipment function as specified that the Court will not intervene with the Company's proposed exploration activities at the CuMo Project, and the ability of the Company to obtain all requisite permits and licenses to advance the CuMo Project and eventually bring it into production. Forward-looking information involves known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future prediction, projection or forecast expressed or implied by the forward-looking information. Such factors include, among others, the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of molybdenum, silver and copper; possible variations in grade or recovery rates; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing, as well as those factors disclosed in the Company's publicly filed documents, including the Company's Management's Discussion and Analysis for the period ended September 30, 2020. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information.



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