



Richmond Minerals Signs Definitive Agreement to Purchase the Oberzeiring Polymetallic Mine and Announces Non-Brokered Private Placement

TORONTO, Nov. 7, 2019 /CNW/ - Richmond Minerals Inc. (TSX-V: RMD) ("**Richmond**" or the "**Company**") announces that it has entered into a definitive agreement dated November 5, 2019 (the "**Agreement**") with Silbermine Zeiring GmbH ("**Silbermine**"), a wholly owned subsidiary of Aurex Biomining AG ("**Aurex**"), to purchase a contiguous group of 99 mineral claim units referred to as the Oberzeiring Polymetallic Mine (the "**Mine**") in exchange for 40,000,000 common shares in the capital stock of Richmond (the "**Transaction**"). Aurex, a company incorporated in Switzerland and the parent company of Silbermine, is a widely held private corporation. The Mine claims cover an area of more than 3,000 hectares and are located near the town of Oberzeiring in the province of Styria, approximately 80 kilometers north of Graz, Austria.

As described by the Governor of Styria in the Styrian People Party 750 year Oberzeiring anniversary newsletter (2018), historically the Mine was one of the largest silver producers in the eastern Alps region of Europe. It produced mainly silver and lead but also has reportedly produced ores rich in gold, copper and zinc, iron sulfides (pyrite, marcasite) and iron carbonates (siderite, ankerite), and barite (in the 1950's). Once a flourishing and very active and important production center for these metals/minerals the town had its own mining legislation and court, and the rare privilege to mint silver coins. Oberzeiring has been referred to as the "Mother of Vienna" as the Habsburg Emperors used profits generated through mining operations here to help build the city of Vienna, capitol of Austria. Emperor Maximilian I built the castle of Hahnfelden, just outside the Town of Oberzeiring where he is said to have resided for three months around the year 1506, to personally supervise dewatering and reactivation operations for gold & silver mining.

The poly-metallic deposit within the Mine claim area geologically is part of the "Austro-Alpine Crystalline Complex". It is a nappe originating from Alpine orogenetic processes that extends from Graz, Capital of Styria, westward over several hundred kilometers. The main host lithologies are ortho- and para-gneiss, micaschist and amphibolite. The age of these rocks' ranges from early to late Paleozoic. Structurally two main tectonic NNW to NE – SSE to SE striking deep-seated structures are present in the region that include the Pölstal (Valley) Graben Fault and the Lavanttal Fault system. The Lavanttal Fault has more or less the same strike direction as the Pölstal Fault and is located about 25 – 30 kilometers further west. The length of both fault systems along strike is between 100 and 150 kilometers and both are instrumental to ore formation at Oberzeiring. These structural features serve as prime conduits for metasomatic to hydrothermal injections of metal-bearing solutions into local massive marble host rocks.

In the 1960s, the Technical University of Vienna undertook sampling of vein material throughout the historic Mine workings. Sampled vein material mineralized with galena at the Mine's West Field underground workings yielded silver values ranging between 850 and 1,250 g/t. Samples of vein material mineralized with galena from the Middle Field underground workings yielded silver values ranging from 832 g/t to 956 g/t silver and 5 g/t gold. In connection with the mining of barite at the Mine in the 1950s, a sample from the East Field workings returned 114 g/t gold and 1,106 g/t silver. A sample of markasite taken in "Klingerbau/Gamsbergzeche" yielded 80 g/t gold, the analysis done by affineur ÖGUSSA in the year 1963.

It has been estimated that the various adit systems within the Mine workings have total length in excess of 25 kilometers (The West Field, The Middle Field, North-East Field, and Zeiring Mining Areas). These adit systems were dug to a shallow vertical depth of 100 meters or less due to historic limitations of mining below the local water table. Flooding of mine workings in the early 1360's caused mining activities to cease and attempts over the last few centuries to de-water the Mine have proved unsuccessful due to the inadequate technology available during that time. Consequently, exploration for ore reserves below 100 meters vertical depth has never been fully investigated at the Mine.

Outside of the Mine workings, in excess of one hundred local artisanal gold and silver mines are found within the claim area over a strike length of more than 5 kilometers. Production from these artisanal mines is reportedly high in concentrations of Au-Ag-Sb-Cu-Zn-Pb-Fe-Barite, and rare elements Ge-Ga and In. In the southern portion of the Mine claim area many of the artisanal mine workings appear to be associated with strong magnetic and Induced Polarization geophysical anomalies that were commissioned and completed by Silbermine between 2004 and 2005.

Verification sampling associated with the preparation of a technical report prepared in accordance with the disclosure standards of National Instrument 43-101 ("NI 43-101") of wallrock Mine material yielded values of 12 g/t to 384 g/t silver, 0.005 g/t to 6.4 g/t gold, 5.5 g/t to 988 g/t barium, 7.1 kg/t to 49.8 kg/t manganese, and 268 g/t to 3,400 g/t lead. Sample analysis was completed by Agat Laboratories ("Agat") of Mississauga, Ontario. Agat is independent from Richmond and is certified to the ISO 9001:2015 laboratory standard. Mine samples were analyzed using acid digest with ICP-OES finish or fire assay, or Sodium Peroxide Fusion with ICP-OES/ICP – MS finish. Agat employs a program of internal control checks for QA/QC purposes that includes analysis and statistical review of sample replicates and method blanks. The completed NI 43-101 technical report prepared by Vadim Galkine, PhD will be filed on closing of the Transaction and made available for download on the Company's SEDAR profile at www.sedar.com, as well as the Company's website.

The district as a whole has never been the subject of any modern exploration work or any comprehensive diamond drilling programs. Richmond plans an exploration program starting in the early spring 2020. The program will include structural & geochemical analyses, geophysical surveying followed by diamond drilling of identified targets.

Terms of the Transaction

Under the terms of the Agreement, the Company will issue forty million common shares (the "**Payment Shares**") at a deemed issuance price of \$0.05 per Payment Share in the capital stock of the Company, for an aggregate value of \$2,000,000 Payment Shares issued to Silbermine as payment for the sale and transfer of the mining claims to a wholly owned subsidiary of Richmond on closing of the Transaction. The Payment Shares issuable in connection with the Transaction will be subject to a four-month and one day hold period in accordance with applicable securities legislation. In addition, Silbermine will have the right to nominate or appoint two qualified directors to Richmond's Board of Directors on closing of the Transaction. The Transaction is an arm's length transaction and there are no finder's fees payable.

Assuming closing of the Transaction, Silbermine will be the holder of more than 20% of the Company's issued and outstanding common shares and will be a "control person" of the Company. Elizabeth Haidvogel, an Austrian resident and the CEO and sole director of Silbermine, will have control and direction of the Payment Shares upon completion of the Transaction. Richmond intends to seek written shareholder approval from a majority of its shareholders for the creation of Silbermine as a control person of the Company.

Closing of the Transaction, which is a fundamental acquisition, remains subject to final approval of the TSX Venture Exchange on or before November 18, 2019, and the satisfaction of certain other closing conditions customary in transactions of this nature. The Transaction is an arm's length

transaction and there are no finder's fees payable.

Franz Kozich, Richmond's CEO, commented, "Richmond is very pleased to acquire this exploration project that has such a rich history of silver and other mineral production located within central Europe. Exploration work over the last century has been quite limited due to many factor's including the history of war in the region and subsequent periods of austerity and difficult capital market conditions."

The Private Placement

In connection with the Transaction, Richmond proposes to complete a non-brokered private placement pursuant to which it shall issue up to 8,000,000 units (each, a "**Unit**") of the Company at a price of C\$0.05 per Unit to raise aggregate proceeds of up to C\$400,000 (the "**Offering**"). Each Unit consists of one common share (each, a "**Common Share**") and one common share purchase warrant (each, a "**Warrant**"). Each Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$0.10 until 5 pm (Toronto time) on the date which is 18 months following the closing of the Offering, whereupon the Warrants expire.

The securities issued and issuable pursuant to the Offering will be subject to a four month and one day hold period. The Company intends to use the net proceeds from the Offering to fund exploration and development of the Company's Ontario and European properties and for working capital purposes related to the Transaction. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange and applicable securities regulatory authorities.

The securities offered will not be registered under the U.S. Securities Act of 1933, as amended, or applicable state securities laws, and may not be offered or sold to persons in the United States absent registration or an exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Warren Hawkins, P.Eng, a "Qualified Person", within the meaning of National Instrument 43-101- Standards of Disclosure for Minerals Projects, has reviewed and approved the scientific and technical information contained in this news release. Mr. Hawkins is not considered to be "independent" of the Corporation (as defined in National Instrument 43-101), as he currently holds securities of the Corporation. Richmond trades on the Boerse Frankfurt exchange under the symbol WKN A1W98A: R52.

CAUTIONARY STATEMENT: This news release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, Richmond's objectives, goals or future plans, including successful completion of the Transaction and Offering. There is no guarantee that the Transaction and Offering will be completed on the terms announced in this press release or at all. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, changes in general economic conditions and conditions in the financial markets; the ability of Richmond to raise funds pursuant to the Offering; changes in demand and prices for minerals; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, and those risks set out in Richmond's public documents filed on SEDAR. Although Richmond believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Richmond disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new

information, future events or otherwise, other than as required by law.

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

SOURCE Richmond Minerals Inc.

View original content to download multimedia:

<http://www.newswire.ca/en/releases/archive/November2019/07/c5882.html>

%SEDAR: 00009282E

For further information: Franz Kozich, President, Warren Hawkins, P. Eng., Exploration Manager,
E: warren@richmondminerals.com, Tel: 416-603-2114

CO: Richmond Minerals Inc.

CNW 16:22e 07-NOV-19