

Yuntone Capital Corp. Provides Update on Qualifying Transaction and Mantaro Silver Corp. closed Over-Subscribed \$8.625 million in Private Placement Financing

May 4, 2021 - Vancouver, British Columbia. **YUNTONE CAPITAL CORP. (“Yuntone” or the “Company”) (TSX-V: YTC.H)**, a capital pool company, is pleased to announce that further to its news release dated October 27, 2020 in which it announced its proposed amalgamation agreement (the “**Definitive Agreement**”) with Mantaro Silver Corp. (“**Mantaro**”), whereby Yuntone will acquire all of the issued and outstanding shares of Mantaro (the “**Transaction**”). Mantaro owns five silver-focused Peruvian mineral properties, consisting of its flagship Santos Gloria Silver Property and the San Jose, La Purisima, Cerro Luque and Huaranay Properties (the “**Silver Properties**”). Further, Mantaro has now raised aggregate gross proceeds of \$8,627,078.25 through its previously announced financing, the details of which are outlined below.

The Transaction remains subject to a number of terms and conditions, including, among other things, the approval of the TSX Venture Exchange (the “**Exchange**”). When completed, the Transaction will constitute the “Qualifying Transaction” of Yuntone, as such term is defined in Policy 2.4 of the Exchange.

The Transaction

Under the terms of the Definitive Agreement, Yuntone has agreed to acquire all of the issued and outstanding shares of Mantaro and, in consideration of which, Yuntone will issue to the shareholders of Mantaro one post-Consolidation share of Yuntone for every share held of Mantaro. All outstanding convertible securities of Mantaro, including share purchase warrants and stock options, will be exchanged or replaced with convertible securities of Yuntone based on a one-to-one basis and on the same economic terms and conditions as previously issued. Upon completion of the Transaction, Mantaro will become a wholly-owned subsidiary of Yuntone.

Yuntone will complete a share consolidation on the basis of two pre-consolidation common share of Yuntone for every one post-consolidation common share of Yuntone (the “**Consolidation**”). As a result of the Consolidation, Yuntone’s issued and outstanding shares will change from 16,356,710 pre-Consolidation shares to 8,178,535 post-Consolidation shares. Yuntone also plans to change its name to “Mantaro Silver Corp.” and list the common shares under the symbol “MSLV”.

Mantaro currently has 26,311,145 common shares and 7,386,479 share purchase warrants issued and outstanding as well as 23,576,652 Subscription Receipts (as defined below) to be released from escrow.

Upon closing of the Transaction, the Consolidation, the conversion of the Subscription Receipt Financing (as defined below) and the option payment for the San Jose Silver Property, the Company anticipates it will have 58,441,332 common shares issued and outstanding and 18,859,055 share purchase warrants issued and outstanding.

Yuntone has submitted a filing statement to the Exchange for review and is working on completing the required filings with the Exchange to complete the proposed Transaction.

The Transaction is subject to customary closing conditions, including approval of the Exchange. There can be no assurance that the Transaction will be completed as proposed or at all.

The Transaction will constitute an arm’s-length transaction, and as such will not require approval by the shareholders of Yuntone.

Private Placement Financings

Subscription Receipt Financings

The Company is pleased to announce that Mantaro has now closed its previously announced private placement financing of 23,576,652 subscription receipts (the “**Subscription Receipts**”) at a price of \$0.35 per Subscription Receipt for gross proceeds of \$8,251,828.20 (the “**Subscription Receipt Financing**”).

Each Subscription Receipt, prior to the closing of the Transaction, will automatically convert into one common share of Mantaro and one-half of one share purchase warrant of Mantaro (each a “**Mantaro Warrant**”), with each whole Mantaro Warrant exercisable into one common share of Mantaro at an exercise price of \$0.55 per share for a period of one year, for no additional consideration upon the satisfaction of certain escrow release conditions, including the conditional approval of the Exchange for the Transaction and satisfaction or waiver of all conditions precedent to the Transaction as set out in the Definitive Agreement.

In conjunction with the closing of the Subscription Receipt Financing Mantaro agreed to pay finder fees totaling \$298,810 and issue finders a total of 943,407 Warrants.

The proceeds of the Subscription Receipt Financing will be used for the exploration and drilling on the Santos Gloria Silver Property and working capital over the next twelve months.

Unit Financing

The Company is pleased to announce that Mantaro has also closed a private placement financing of 1,072,142 units (each a “**Unit**”) at a price of \$0.35 per Unit for gross proceeds of \$375,250.25 (the “**Unit Financing**”) with each Unit comprising of one common share of Mantaro and one-half of a Mantaro Warrant

The proceeds of the Unit Financing will be used for near-term listing expenses as well as working capital over the next twelve months.

About Mantaro Silver Corp.

Mantaro Silver Corp. is a British Columbia company that holds a 100% interest in its flagship silver property, the Santos Gloria Silver Property, as well as a 100% interest in the San Jose Silver, La Purisima, Cerro Luque and Huaranay Properties.

Santas Gloria Silver Property

The Santos Gloria Silver Property is 100% owned by Mantaro. It comprises of three mineral concessions totaling 1,100 hectares and is located 55 kilometers directly east of Lima.

Silver is the main target commodity at Santos Gloria. Historic surface sampling reported grades of over 400 oz/t Ag from bonanza shoots. Combined lead and zinc values range from 2% to 20% in the high-grade silver zones. Information derived from report on Santos Gloria Mining Project by Dr. Alberto Rios Carranza (2020).

There are over 10 kilometers of intermediate sulphidation veins arranged into three key target zones: Tembladera, Elaine and Santa Cruz. The system has never been drilled tested and exploitation of silver was limited to two areas of the San Jorge and Tembladera veins.

Historical production of silver has been carried out on Santos Gloria since colonial times. To date, an estimated 4 kilometers of underground workings have exploited 2 of the 22 veins at Santos Gloria. In 2005 and 2006, the San Jorge and Tembladera veins were worked on six levels. A small processing plant at site produced silver concentrates with reported silver recoveries of 85%-90%. Information derived from report on Santos Gloria Mining Project by Dr. Alberto Rios Carranza (2020).

Santas Gloria has agreements and permissions from the local community for exploration and mining work until 2028 and there are currently no environmental issues on the project.

Santas Gloria is a silver-base metal vein system otherwise known as Cordilleran silver-base metal type. These deposits have many similarities to intermediate sulphidation vein systems. Such deposits are attractive exploration targets due to their often high-grade nature and the large vertical extent of precious and base metal endowment.

Upon completion of the Transaction, Mantaro intends to carry out an initial 5000 meters of diamond drilling, from underground and surface locations. Some remediation of historic underground workings will be required, primarily replacement of timbers that have rotted. Drifting on the vein and drilling from new crosscuts, should provide the most accurate targeting of high-grade silver mineralization, on the San Jorge and Tembladera Veins. Other veins will be drilled from surface with a focus on the more gold-rich silver-base metals veins in the north of the concession

San Jose Silver, La Purisima, Cerro Luque and Huaranay Properties

The San Jose Silver Property is 100% owned by Mantaro, comprised of five concessions totaling 3,300 hectares and located 180 kilometers directly north of Lima. Upon completion of the Transaction, Mantaro will focus on detailed geological mapping and geochemical sampling of all veins and inferred vein extensions. This work will provide a much better understanding of key controls on mineralization and allow for most effective drill targeting.

The La Purisima Property covers 1,075 hectares and reported historical assays of up to 8 ounces per tonne Ag and 2.5 grams per tonne Au.

The Cerro Luque Property covers 1,650 hectares, contains multiple historic adits within its alterations system and reported historic assays of 11 ounces per tonne Ag.

The Huaranay Property covers 2,000 hectares and includes two gold prospects (Corrales and Chinchango). It also has a historic silver mine with reported grades of up to 37 ounces per tonne Ag.

Financial Information of Mantaro

The following table summarizes Mantaro's audited financial information for the period ended February 28, 2021.

	Year Ended February 28, 2021 (audited) (\$)
Revenue	-
Net Income (Loss)	(175,745)
Income (Loss) per share (basic and diluted)	(0.01)
Working Capital	272,183
Assets	
Current assets	8,632,697
Long Term Assets	1,735,779
Total Assets	10,386,479
Current Liabilities	8,360,514
Long Term Payables	-
Shareholders' Equity (Deficiency)	2,007,962

Total Liabilities and Shareholders' Equity

10,368,479

Directors, Officers and Insiders of Resulting Issuer

Upon completion of the transaction, it is anticipated that the board of directors of the Company will comprise of a minimum of five individuals. As of the date of this news release, the following persons are anticipated to be the directors, officers and insiders of the Company following completion of the transaction:

Donald Anderson, Chief Executive Officer, President and Director

Mr. Anderson has 25 years of capital markets and business experience, including 10 years as mining analyst at brokerage firms in Toronto and Vancouver, 5 years as an equity fund manager at one of Canada's largest investment management firms and close to 10 years starting and managing businesses in East and Southern Africa. From 2015 to 2020, Mr. Anderson was the principal funder and a manager at a high-grade, narrow-vein gold mine in Zimbabwe that was brought back to production after decades lying dormant.

Dr. Christopher Wilson, Chairman, Chief Geologist and Director

Dr. Wilson is a Geologist with over 30 years of global experience in mineral exploration and mining. Chris has worked in over 70 countries, on most commodities and deposit styles, from grass roots through resource definition to feasibility. More recently Chris has been involved in resource to mine to production reconciliation studies, project valuation and fatal flaw analysis. Chris has extensive project review and target generation experience, with ability to rapidly identify and test high value targets, using complex multidisciplinary datasets. This is combined with a strong deposit model knowledge ensuring key controls on mineralization are placed within the wider context of a projects geological, structural and hydrothermal evolution.

Dr. Wilson is a qualified person for JORC and NI 43-101 compliant reporting and valuation (VALMIM and CIMVAL). As Exploration Manager for Ivanhoe Mines Mongolia, he was responsible for an Exploration Portfolio of over 11 million hectares. Dr Wilson has specialist experience with vein systems including orogenic and intermediate to low sulphidation types.

Kelvin Lee, Chief Financial Officer

Mr. Lee has over 15 years of extensive financial management experience with publicly traded companies. Most recently worked in progressively senior roles from Corporate Controller, VP Finance and Administration to Chief Financial Officer, for a TSXV listed gold producer with \$400 million in revenue over the past nine years. His responsibilities included development and execution of financial strategy and operations, including regulatory reporting, financial planning and analysis, treasury, tax and audit. Held prior Controller positions in the mining industry with various publicly traded companies including Prodigy Gold Inc. that was acquired for \$340 million. Kelvin is also CFO of Walcott Resources Ltd.

Patrick Hickey, Director

Patrick Hickey is a registered engineer with 40 years of experience in the design and construction of mines throughout the world. He has built world class operations that have delivered significant value to shareholders in Petroleum and Power generation. His experience includes Indonesia, South and North America, Middle East, Africa and Europe. He has significant experience in Peru. He has worked for some of the world's leading operators including Mobil in the USA and in the Middle East, Power in the Czech Republic, BHP Oil Refining in Hawaii, Newmont Gold in Indonesia and Peru. He has also worked in Madagascar where he managed operations for a Nickel/Cobalt Company.

In 2010, he joined Kinross Gold Corporation as Regional Vice President for Africa, covering all activities of the company in Mauritania, Ghana and Spain where Kinross operates mines, as well as exploration in other regions of the continent. Mr. Hickey is currently the President / Director of PHNG.

Darren Hazelwood, Director

Mr. Hazelwood is a driven entrepreneur with over 15 years of experience building private companies. Darren has been a successful investor in the mining and exploration space focused on the London Markets during this time. Darren joined the board of Panther Metals Plc in March 2018 as a non-executive Director, taking over as Chief Executive Officer of the business within 10 months, successfully leading its listing on the main London Stock Exchange in January 2020. Panther Metals is focused on precious metal opportunities.

Mr. Hazelwood is commercially minded with a focus on value creation, with demonstrated ability to develop, deliver and execute on a growth strategy. He brings an extensive network of London-based private investors and investment houses with a focus on the resource sector.

Charles Hethey, Director

Charles Hethey is a securities lawyer in British Columbia and New York with 13 years' experience. Mr. Hethey represents a number of U.S. and Canadian listed entities on the TSX Venture Exchange, Canadian Securities Exchange and U.S. OTC markets. Mr. Hethey's clients are active in a broad range of industries including an emphasis on mining issuers. Mr. Hethey has significant experience in U.S. and Canadian corporate finance, mergers and acquisitions, and securities compliance matters. Mr. Hethey is currently a director of Fosterville South Exploration Ltd., which is a gold focused exploration company in the State of Victoria, Australia.

Sponsorship

Yuntone has applied for a waiver of the sponsorship requirements of the Exchange.

Qualified Person

Dr. Christopher Wilson, Ph. D., FAusIMM (CP), FSEG, a Qualified Person under National Instrument 43-101, has reviewed and approved the technical information contained in this news release.

Current Board of Yuntone

The Company was notified that Xiang Xia, a director and Chief Financial Officer of the Company, is now deceased. To fill this vacancy until the completion of the Qualifying Transaction the Company has appointed Gunther Roehlig to act as the interim Chief Financial Officer of the Company and has appointed Alex McAulay to sit on the board.

About Yuntone

Yuntone Realty Capital Corp. is a capital pool company ("**CPC**") as defined by Exchange Policy 2.4 ("Policy 2.4") and the shares were listed for trading under the trading symbol "YTC.H". To date Yuntone has not completed a Qualifying Transaction ("**QT**") as defined under Policy 2.4.

For further information please contact:

Yuntone Capital Corp.
Gunther Roehlig
(604) 683-0911

Information set forth in this news release contains forward-looking statements. These statements relate to the completion of the Offering, completion of the Transaction, use of proceeds of the Offering, the expectations relating to officers, directors and insiders of Mantaro, among others reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. Yuntone cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Yuntone's control. Such factors include, among other things: risks and uncertainties relating to Yuntone's ability to complete the proposed Qualifying Transaction and the Offering; and other risks and uncertainties. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, Yuntone undertakes no obligation to publicly update or revise forward-looking information.

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.

A halt in trading shall remain in place until after the Qualifying Transaction is completed or such time that acceptable documentation is filed with the TSX Venture Exchange.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of, nor a solicitation for offers to buy, any securities in the United States.

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