

BTU CAPITAL CORP.

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BTU CAPITAL CORP. ENTERS INTO OPTION AGREEMENT TO ACQUIRE SHAKESPEARE GOLD PROJECT, ONTARIO

February 21, 2017, Vancouver, BC, Canada – BTU CAPITAL CORP. ("BTU" or the "Company") (BTU.H-NEX) has entered into an option agreement (the "Option Agreement") with arms-length optionors whereby BTU has been granted an option to acquire an undivided 100% interest in the "Shakespeare Property" located approximately three kilometers northeast of Webbwood, Ontario. The project includes the historic Shakespeare Gold Mine, which had operated intermittently between 1905 and 1948.

BTU is a capital pool company (CPC) and intends the transaction to constitute a qualifying transaction ("QT") under TSX Venture Exchange Policy 2.4 "Capital Pool Companies". Upon successful completion of the transaction, BTU will be a Tier 2 mining issuer.

About the Shakespeare Property

The Shakespeare Property consists of 9 contiguous mining claims covering roughly 528 hectares, and is located in Shakespeare Township, Sudbury Mining Division, Ontario. The historic Shakespeare Gold Mine is situated in rocks of the northeast-trending folded ~2.4 billion-year old Huronian Supergroup, intruded by the ~2.21 billion-year old Nipissing diabase dikes and sills,. The Murray Fault is a regional structure that strikes ENE and passes approximately 300 meters north of the mine. The mineralized zone is broadly concordant with the schistose Matinenda Formation, consisting of quartzite and greywacke that also trends ENE and dips steeply to the south. Historic sampling in the western part of the mine area was traced for 15 feet (~4.5 m) and reported to contain 1.12-1.85 ounces of Au per ton over an average width of 3.5 feet (~1 m; see Ontario Geological Survey Mineral Deposits Circular 18, 1979, part 2, 82p.).

The historical information above predates and does not refer to any category of sections 1.2 or 1.3 of National Instrument 43-101 ("NI 43-101"), such as "mineral resources or "mineral reserves". The Company has not undertaken any independent verification of these estimates and it is uncertain if further exploration will result in the target being delineated as a "mineral resource" within the meaning of NI 43-101. The assumptions, parameters and methods used to determine the historic information above are not known. However, the Company believes that the historical information provides a conceptual indication of the potential of the project.

Additionally, a NI 43-101 technical report dated January 25, 2017 regarding the Shakespeare Property has been prepared on behalf of the Company by Elisabeth Ronacher, PhD, P.Geo, and Jenna McKenzie, P.Geo. of Ronacher McKenzie Geoscience. The report authors have recommended an exploration program of \$200,000, comprised of data compilation, integration and targeting, an IP survey and reconnaissance drilling. Both report authors are independent qualified persons within the meaning of NI 43-101. A copy of the technical report will be made available under the Company's SEDAR profile online at www.sedar.com.

Elisabeth Ronacher, Ph.D., P.Geo. is an independent "qualified person" within the meaning of NI 43-101 and has reviewed and approved the contents of this news release.

Terms of Option Agreement

Under the terms of the option agreement, BTU will be required to make the following payments and incur the follow exploration expenditures to earn a 100% interest in the Shakespeare Property:

- issue an aggregate total of 1.8 million common shares over a period of 12 months, with 50% of such shares to be issued within 5 days of BTU receiving all necessary approvals with respect to the QT (including but not limited to the approval of the TSXV), and the remaining 50% of such shares to be issued on the 12 month anniversary of the QT; and
- incur an aggregate total of \$400,000 in exploration expenditures in or on the Shakespeare Property, with 50% of such expenditures to be incurred by the 12 month anniversary of the QT, and the remaining 50% of such expenditures to be incurred by the 24 month anniversary of the QT.

During the term of the Option Agreement, BTU will be responsible for the annual claim maintenance fees. BTU has also granted the optionors a 2% net smelters return royalty on the Shakespeare property. At the option of BTU, BTU may purchase one-half of the royalty for \$1-million.

The optionors include the following individuals: Steven Anderson (Timmins, ON); Don McKinnon (Connaught, ON); 2554022 Ontario Ltd., a private company in which Amanda Salo (Timmins, ON) is the principal; and Kidridge Capital Inc., a private company in which Leigh Parnham (Burlington, ON) is the principal. Each of the optionors is at arm's length to BTU.

The completion of the QT is subject to BTU receiving board approval (which has been obtained), approval from the TSXV, and to BTU completing a concurrent private placement financing as may be necessary for BTU to meet the TSXV's minimum listing criteria as a Tier 2 mining issuer.

Completion of the QT is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder is obtained. There can be no assurance that the QT 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 QT 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 QT and has neither approved nor disapproved of the contents of this press release.

Concurrent Private Placement Financing

In conjunction with closing the transaction, BTU will offer, by way of a non-brokered private placement financing, up to 11 million units (each a "Unit") at a price of five cents per Unit, for gross proceeds of up to \$550,000.

Each Unit will comprise one common share of BTU and one half of a share purchase warrant, with each full warrant entitling the holder to purchase one additional common share of BTU at a price of ten cents per share for a period of one year from the date of issue.

BTU will also offer up to 2 million "flow through" common shares (the "FT Shares") at a price of ten cents per FT Share, for gross proceeds of up to \$200,000.

The proceeds of the offering (assuming it is fully subscribed) will be used as follows:

	Estimated Cost (\$)
To fund remaining costs to complete the QT	50,000
To repay indebtedness owing to an arm's length party	35,000
To fund exploration programs on the Shakespeare Property	200,000
General and administrative expenses over the next 12 months	150,000
Working capital to fund ongoing operations	315,000
TOTAL	750,000

BTU intends to rely on the "investment dealer" prospectus exemption, among other prospectus exemptions, with respect to the private placement. As such, the Issuer confirms that there is no material fact or material change about BTU that has not been generally disclosed.

The Resulting Issuer

Upon completion of the QT, it is anticipated that BTU will be a Tier 2 mining issuer, and its current board of directors and management will continue to serve BTU.

The following individuals comprise the anticipated directors, officers and insiders of BTU following completion of the QT:

Michael England, Chief Executive Officer, President and director.

Mike England has been involved in the public markets starting in 1983 working on the floor of the Vancouver Stock Exchange as a floor trader after successfully completing the Canadian Securities, Options and Futures Courses. Since 1995 Mr. England has been involved directly with public companies serving various roles including investor relations, CEO, directorships and presidencies and has raised in excess of \$40 million to date for exploration and acquisitions.

Phil Taneda, Chief Financial Officer, Secretary and director

Phil Taneda will act as an independent director for the company. Mr. Taneda has over 20 years of experience working in the capital markets in the capacity of Investor relations, director, CFO, audit committees etc. He is the VP of Koeda Forest Products Ltd a successful wood manufacturing company. Phil recently completed a certificate of marketing and leadership through the Florida State University College of Business.

Twila Jensen, Director

Twila Jensen will act as an independent director for the company. Ms. Jensen has over 15 years of experience working in the capital markets and has extensive experience in marketing. Ms. Jensen has worked with hundreds of public companies in various sectors, and her passion lies in sales and marketing with a focus on strategy.

ON BEHALF OF THE BOARD

“Michael England”

Michael England, President, CEO, Director

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Forward looking statements:

Certain statements in this release are forward-looking statements, including with respect to the proposed QT and concurrent private placement financing. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, as well as other factors beyond the Company's control.

These forward-looking statements are made as of the date of this news release.

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