

9 Capital Announces Proposed Qualifying Transaction with Churchill Diamond Corporation

TORONTO, Dec. 23, 2020 -- 9 Capital Corp. (the "Company") announces that it has entered into a binding agreement dated December 23, 2020 (the "Letter Agreement") with Churchill Diamond Corporation ("Churchill"), an arm's length, Ontario based mineral exploration company which currently holds three mineral exploration projects in Canada, to effect a business combination of the two companies (the "Proposed Transaction"). The Proposed Transaction will be a reverse takeover of the Company by Churchill and its shareholders.

Churchill is a private Ontario company managed by career mining industry professionals which currently holds three exploration projects, namely Taylor Brook in Newfoundland, Pelly Bay in Nunavut and White River in Ontario. All three projects are at the evaluation stage, with known mineralized Ni-Cu-Co showings at Taylor Brook and Pelly Bay, and diamondiferous kimberlitic intrusives at White River.

The Company is a Capital Pool Company ("CPC") and intends the Proposed Transaction to constitute its Qualifying Transaction (the "Qualifying Transaction") under the policies of the TSX Venture Exchange (the "Exchange").

The Transaction

It is currently anticipated that the Proposed Transaction will be effected by way of a three-cornered amalgamation, share exchange, merger, amalgamation, arrangement or other similar form of transaction as is acceptable to the parties.

On or immediately prior to the completion of the Proposed Transaction, it is anticipated that: (i) the Company will effect a name change to such name as may be determined by Churchill; and (ii) the Company will consolidate the issued and outstanding common shares in the capital of the Company (the "9 Capital Shares") on the basis of one "new" 9 Capital Share for every 1.7 "old" 9 Capital Shares issued and outstanding (the "Consolidation").

Pursuant to the Proposed Transaction, holders of the issued and outstanding common shares of Churchill (the "Churchill Shares") will receive one 9 Capital Share (as they exist on a post-Consolidation basis) for each Churchill Share held (the "Exchange Ratio"). Pursuant to the Proposed Transaction, all existing securities convertible into Churchill Shares shall be exchanged, based on the Exchange Ratio, for similar securities to purchase 9 Capital Shares on substantially similar terms and conditions.

There are currently an aggregate of 11,920,501 9 Capital Shares issued and outstanding, as well as 1,192,050 stock options, each exercisable to acquire one 9 Capital Share at an exercise price of \$0.10 per share. As at the date hereof there are currently 24,576,550 Churchill Shares issued and outstanding, as well as 1,800,000 stock options, each exercisable at a price \$0.25 to acquire one Churchill Share.

If the Proposed Transaction is completed, it is anticipated that the board of directors of the Company shall be reconstituted to consist of such directors as Churchill shall determine, subject to the minimum residency requirements of the *Business Corporations Act* (Ontario), and all existing officers of the Company shall resign and be replaced with officers appointed by the new slate of board of directors.

It is expected that following the completion of the Proposed Transaction, shareholders of the Company will hold approximately 20.4% of the 9 Capital Shares, the current shareholders of Churchill will hold approximately 65.4% of the 9 Capital Shares, and purchases in the Offering (as defined below) will hold approximately 14.2% of the 9 Capital Shares (assuming the minimum amount of the Offering is raised).

The Proposed Transaction is conditional upon the completion of the Offering, as further described below.

Taylor Brook and Other Properties

The Taylor Brook Property is located 60 km north of Deer Lake, Newfoundland, and is comprised of two contiguous map-staked licenses containing 226 claims totalling 56.5 km², which has known high grade Ni-Cu-Co mineralization at surface and shallow drilled depths from work carried out between 1999-2012. The property is under option from Altius Resources Inc. to acquire an undivided 100% interest.

Other Properties

The Pelly Bay Property consists of 153 mineral claims totalling 170.75 km² on tidewater near the town of Kugaaruk in central Nunavut, covers the entire diamondiferous Pelly Bay kimberlite field, as well as areas prospective for Ni-Cu-Co and gold mineralization. The White River Property is located approximately 30 km east of the Hemlo Gold Mine along the Trans-Canada Highway and consists of 1,355 claims totalling approximately 28.9 km² covering the White River diamondiferous melnoitic kimberlite intrusive field.

Officers and Directors

Subject to applicable shareholder and Exchange approval, it is anticipated that the officers and directors of the combined company will be:

Paul Sobie, President and Chief Executive Officer and Director

Mr. Sobie has over 30 years of discovery and evaluation experience with MPH Consulting Limited, an internal exploration and mining consultancy, for major, mid-tier and junior mining companies in Canada, Africa, South America and Russia. Mr. Sobie is an economic geologist specializing in the design and management of exploration and evaluation programmes. He has extensive project development experience, including several gold, diamond and base metal ventures that have attained advanced and/or achieved production status. Mr. Sobie has also held senior managerial positions in the past with diamond, base metal and iron ore junior exploration issuers.

Paul Robertson, Chief Financial Officer and Corporate Secretary

Mr. Robertson is a Certified Professional Accountant (CPA) and is based in Vancouver, British Columbia, is the founding partner of Quantum Advisory Partners LLP and has over 20 years of accounting, auditing and tax experience. He has developed extensive experience in the mining sector and provides financial reporting, regulatory compliance, internal controls and taxation advisory services to a number of junior resource companies. Prior to founding Quantum Advisory Partners LLP, he was a tax manager with Ernst & Young LLP in Vancouver providing tax consulting and compliance services primarily to corporate clients in the high-technology and biotechnology industries as well as several multi-national mining companies. He is currently the Chief Financial Officer of GoldQuest Mining Corp. (TSXV: GQC), and previously served as Chief Financial Officer of Grayd Resource Corporation (until its acquisition by Agnico Eagle Mines Limited in 2011) and Orla Mining Ltd. (TSX: OLA) from 2015 to 2019. Mr. Robertson holds a BA from the University of Western Ontario (1993) and obtained his Chartered Accountant designation from the British Columbian Institute of Chartered Accountants in 1997.

Bill Fisher, Director

Mr. Fisher is a trained geologist and has extensive industry experience including a number of residential posts in Africa, Australia, Europe and Canada in both exploration and mining positions. Under his leadership, Karmin Exploration discovered the Aripuanã base metal massive sulphide deposits in Brazil. From 1997 to 2001 Mr. Fisher was Vice President, Exploration for Boliden AB, a major European mining and smelting company where he was responsible for 35 projects in nine countries. From 2001 to 2008 Mr. Fisher led GlobeStar Mining Corp. from an exploration company to an emerging precious and base metal producer in the Dominican Republic, developing and operating the Cerro de Maimon copper/gold mine until it was sold to Perilya for \$186 million. Mr. Fisher was also Chairman of Aurelian Resources which was sold to Kinross Gold in 2008 for \$1.2 Billion after the discovery of the Fruta del Norte gold deposit in Ecuador. Mr. Fisher currently serves as Executive Chairman of GoldQuest Mining Corp. (TSXV: GQC), and an independent director of Horizonte Minerals (AIM: HZM), Treasury Metals Inc. (TSX: TML) and London, UK based firms Andiamo Exploration and RAME Energy.

Alec Rowlands, Director

Mr. Rowlands has over 25 years of experience in mining finance. He is the former managing director of First Marathon Securities (London) and former Head of Sales for Gordon Capital (NYC). Since 1999, Mr. Rowlands has held several senior finance positions, including with Yorkton Securities, Westwind Partners, Jennings Capital and PowerOne Capital Markets Ltd. Mr. Rowlands has been an active investor and founding shareholder in several mining ventures, notably Aurix Gold, which was acquired by B2Gold for its Otjikoto project in Namibia in 2011. He is currently Vice-President, Investor Relations and Corporate Development for Cardinal Resources Inc. (TSX: CDV).

Financing Matters

In connection with the Proposed Transaction, Churchill proposes to issue and sell, on a non-brokered private placement basis, Churchill Shares at a price per share of \$0.25 for aggregate gross proceeds of a minimum of \$1,000,000 and a maximum of \$1,500,000 (the “**Offering**”). Completion of the proposed Offering is a condition to the closing of the Proposed Transaction.

Arm’s Length Transaction

The Proposed Transaction is an arm’s length transaction in accordance with the policies of the Exchange and is not subject to the approval of the shareholders of the Company, except as required by applicable corporate law.

No Control Persons

All 24,576,550 Churchill Shares are widely held and no individual or entity owns, nor will any entity or individual own on completion of the Offering or immediately prior to the completion of the Proposed Transaction, more than 10% of the issued and outstanding Churchill Shares.

Selected Financial Information

The following selected financial information is taken from the financial statements of Churchill for the year ended August 30, 2020, which are expected to be included in the filing statement being prepared in connection with the Proposed Transaction:

Total Assets	\$1,102,223
Total Liabilities	\$310,000
Net Loss	\$(558,688)

Readers are cautioned that the above figures have not been audited and are based on calculations prepared by management. Actual results may differ from those reported in this release once these figures have been audited.

Sponsorship

Sponsorship of a Qualifying Transaction of a CPC is required by the Exchange, unless exempt in accordance with Exchange policies or waived by the Exchange. The Proposed Transaction may require sponsorship and the Company plans to provide a news release update should a sponsor be retained. Trading in the 9 Capital Shares was suspended on September 28, 2020 as a result of the Company not completing its Qualifying Transaction within 24 months following its original date of listing on the Exchange. 9 Capital expects that trading in the 9 Capital Shares will remain suspended pending closing of the Proposed Transaction, subject to the earlier re-commencement of trading only upon Exchange approval and the filing of required materials with the Exchange as contemplated by Exchange policies.

Filing Statement

In connection with the Proposed Transaction and pursuant to the requirements of the Exchange, the Company will file a filing statement on its issuer profile on SEDAR (www.sedar.com), which will contain details regarding the Proposed Transaction, any financing completed prior to closing of the Proposed Transaction, the Company, Churchill and the resulting issuer company following completion of the Proposed Transaction.

The obligations of the Company and Churchill pursuant to the Letter Agreement shall terminate in certain specified circumstances, including in the event that a definitive business combination agreement with respect to the Proposed Transaction is not entered into among the parties by January 31, 2021.

About the Company

The Company is a CPC within the meaning of the policies of the Exchange that has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the CPC policies of the Exchange, until the completion of its Qualifying Transaction, the Company will not carry on business, other than the identification and evaluation of companies, business or assets with a view to completing a proposed Qualifying Transaction.

For further information please contact:

9 Capital Corp.
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Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to, Exchange acceptance and shareholder approval. The Proposed Transaction cannot close until all required shareholder approvals are obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a CPC should be considered highly speculative. A comprehensive press release with further particulars relating to the Proposed Transaction will follow in accordance with the policies of the Exchange.

The Exchange has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this news release.

Cautionary Note Regarding Forward Looking Information

This news release contains statements about the Company's expectations regarding any proposed future Qualifying Transaction of the Company which are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board, shareholder or regulatory approvals. The forward-looking statements contained in this press release are made as of the date hereof, and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, except as required by law.

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.