

XIB I CAPITAL CORP.

XIB AND MAYUR RESOURCES ENTER INTO LETTER OF INTENT FOR QUALIFYING TRANSACTION

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TSX VENTURE EXCHANGE: XIB.P

FOR IMMEDIATE RELEASE

Vancouver, British Columbia – September 14, 2020 – XIB I Capital Corp. (“**XIB**”) (TSXV: XIB.P), is pleased to announce it has entered into an arm’s length binding letter of intent dated September 4, 2020 (the “**LOI**”) with Mayur Resources Limited (“**Mayur**”), a public company listed on the Australian Securities Exchange, pursuant to which XIB and Mayur have agreed to complete a business combination (the “**Transaction**”) of XIB and Mayur’s wholly-owned subsidiary, MR Exploration PNG Pte Ltd. (“**MRE**”), whereby XIB will acquire all of the issued and outstanding shares of MRE (each, a “**MRE Share**”, and, collectively, the “**MRE Shares**”), including certain MRE Shares to be issued to the Acquisition Vendors (as defined below), together with the shares of Pre-Seed Financeco and MRE Financeco (each such term as defined below), in consideration for the issuance of common shares in the capital of XIB (each, a “**XIB Share**” and, collectively, the “**XIB Shares**”).

Information About XIB

XIB is a company existing under the laws of British Columbia, a reporting issuer in British Columbia, Alberta, Ontario and New Brunswick, and a “Capital Pool Company” listed on the TSX Venture Exchange (the “**Exchange**”). XIB has not commenced commercial operations and has no assets other than cash, and XIB’s principal business activity is to identify and evaluate opportunities for acquisition of assets or business. XIB currently has 13,100,000 XIB Shares issued and outstanding. If completed, the Transaction will constitute XIB’s “Qualifying Transaction” (as defined under Policy 2.4 - *Capital Pool Companies* of the Exchange (“**Policy 2.4**”)). Further information concerning XIB can be found in the prospectus of XIB dated November 9, 2018 and XIB’s other continuous disclosure filings, which are available under XIB’s profile on SEDAR at www.sedar.com.

Information About Mayur and MRE

Mayur, a public company listed on the Australian Securities Exchange which is existing under the laws of Singapore, has been operating since 2011 with the purpose of acquiring, exploring and developing mineral and energy development opportunities in Papua New Guinea and neighbouring countries. Since inception, Mayur has established a portfolio of projects that includes industrial minerals (construction sands, magnetite sands, heavy mineral sands and limestone), copper and gold, and coal and power generation. Mayur has no shareholders holding in excess of 20% of its outstanding shares with the exception of Paul Mulder, Mayur’s Managing Director, who holds, directly or indirectly, shares representing approximately 29% of Mayur’s outstanding shares.

MRE is a wholly-owned subsidiary of Mayur and a private company existing under the laws of Singapore. Through its wholly-owned subsidiary existing under the laws of Papua New Guinea, Mayur Exploration PNG Limited (“**MRE Subco**”), MRE holds certain gold and copper exploration properties (the “**MRE Properties**”) in Papua New Guinea. In addition, MRE has entered into a binding term sheet with the shareholders of Ballygowan Limited (“**Ballygowan**”) and Pacific Arc Aurum (Niugini) Limited (“**Pacific Arc**”) to acquire all of the securities of Ballygowan and Pacific Arc in return for MRE Shares (the “**Acquisitions**”). Ballygowan holds certain gold and copper exploration and development properties (the “**Ballygowan Properties**”) in Papua New Guinea. Pacific Arc holds a gold and copper exploration property (the “**Pacific Arc Property**”) in Papua New Guinea. As part of, and as a condition to the completion of, the Transaction, MRE expects to complete the Acquisitions, such that when XIB acquires MRE, MRE will own MRE Subco, Ballygowan and Pacific Arc and, through them, the MRE Properties, the Ballygowan Properties and the Pacific Arc Property.

Information Concerning the Proposed Transaction

The LOI sets out the general terms of the Transaction as currently contemplated by XIB and Mayur. The precise terms and conditions of the Transaction, including the structure of the Transaction, will be contained in a definitive agreement (the “**Definitive Agreement**”) to be negotiated between XIB and Mayur and MRE (each, a “**Party**”, and, together, the “**Parties**”). XIB and Mayur have agreed to negotiate in good faith to reach the Definitive Agreement on or before October 26, 2020 (the “**Definitive Agreement Date**”), and to complete the Transaction on or before January 29, 2021 (the “**Outside Closing Date**”).

The Transaction will take the form of a share exchange, scheme of arrangement, amalgamation and/or other similar transaction, whereby all of the outstanding MRE Shares, including the MRE Shares to be issued to the Acquisition Vendors, together with the shares of Pre-Seed Financeco and MRE Financeco, (in each case, held immediately prior to the closing of the Transaction (the “**Closing**”)) in consideration for the issuance of XIB Shares. It is expected that the outstanding MRE Shares, including the MRE Shares issuable to the Acquisition Vendors, will be exchanged for a total of 71,666,666 XIB Shares on a post-Consolidation basis (as defined below). Following the Closing, MRE will become a wholly-owned subsidiary of XIB or otherwise combine its corporate existence with that of XIB.

As part of, and as a condition to the completion of, the Transaction, an equity offering is expected to be completed to raise minimum gross proceeds of C\$5,000,000 (the “**Concurrent Financing**”) at an effective price of C\$0.30 per share on a post-Consolidation basis. The precise structure and the terms and conditions of the Concurrent Financing will be mutually agreed upon by the Parties. However, it is currently expected that the Concurrent Financing will be undertaken as a brokered private placement of subscription receipts by a new single purpose Canadian corporation (the “**MRE Financeco**”) to be incorporated by Mayur for the purposes of conducting the Concurrent Financing pursuant to which the gross proceeds from the Concurrent Financing (less a portion of the agents’ fees and expenses) will be placed in escrow pending the satisfaction of all conditions precedent to the completion of the Transaction, upon which the escrowed proceeds will be released to MRE Financeco, the subscription receipts will convert into common shares of MRE Financeco (each, a “**MRE Financeco Share**” and, collectively, the

“**MRE Financeco Shares**”), and such MRE Financeco Shares will be exchanged for a total of 16,666,667 XIB Shares on a post-Consolidation basis (assuming a C\$5,000,000 financing).

In connection with the Transaction, XIB will: (i) consolidate the currently outstanding XIB Shares on a 2.62 for 1 basis (the “**Consolidation**”) to be completed concurrent with the Transaction (and prior to the issuance of XIB Shares on Closing), so that following the Consolidation, XIB will have 5,000,000 XIB Shares issued and outstanding; and (ii) change its name to “Adyton Resources Limited”, or such other name as Mayur may stipulate (the “**Name Change**”).

Following the Closing, the business of XIB (following Closing, referred to as the “**Resulting Issuer**”) will be the business of MRE, the management and directors of the Resulting Issuer will be constituted as described below, and it is expected that the Resulting Issuer will be listed on the Exchange as a Tier 2 Mining Issuer. The Transaction is subject to the approval of the Exchange.

The Transaction will be completed pursuant to, and in strict accordance with, applicable corporate and securities law requirements and available exemptions under applicable securities laws.

The XIB Shares issuable in connection with the Transaction may be subject to Exchange escrow or seed share resale restrictions and to hold periods as required pursuant to applicable securities laws.

The completion of the Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to: (i) receipt of all necessary consents, waivers, permissions and approvals for the Transaction, including the approval of the Exchange; (ii) the Resulting Issuer meeting the minimum listing requirements of the Exchange; (iii) the Closing Date occurring no later than January 29, 2021, unless otherwise extended in writing by mutual agreement of both Parties; (iv) the representations, warranties and covenants made by each Party being true and correct in all material respects as of the Closing Date; (v) no Party being in material breach of its obligations under the Definitive Agreement; (vi) no event or change occurring that would reasonably likely to have a material adverse effect on either XIB or MRE; (vii) the completion of the Acquisitions; (viii) the completion of the Financings and the Pre-Seed Financing (each such term as defined below); (ix) the issuance of the XIB Shares in connection with the Transaction being exempt from prospectus requirements under applicable securities laws; (x) MRE providing XIB with such financial statements as are required for the Qualifying Transaction; (xi) MRE providing XIB with technical reports compliant with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* in respect of the MRE Properties, the Ballygowan Properties and the Pacific Arc Property acceptable to the Exchange; and (xii) if required, MRE providing XIB with a formal valuation acceptable to the Exchange.

Assuming the completion of the Transaction, the Acquisitions, the Financings and the Pre-Seed Financing, a minimum of 112,666,665 XIB Shares are expected to be issued and outstanding on the Closing Date, of which: (i) Mayur will hold approximately 50.1% of the XIB Shares; (ii) the Acquisition Vendors will hold approximately 16.3% of the XIB Shares; (iii) the current holders of the XIB Shares will hold approximately 4.4% of the XIB Shares; (iv) the purchasers under the

Financings (not including Mayur) will hold approximately 23.9% of the XIB Shares; and (v) the purchasers under the Pre-Seed Financing will hold approximately 5.3% of the XIB Shares.

The Parties may not consider alternative transactions until the LOI has been terminated in accordance with its terms.

The Transaction is an arm's length transaction and therefore will not require shareholder approval under Policy 2.4. However, if, for example, the Transaction is structured as an amalgamation or a plan of arrangement, shareholder approval may otherwise be required for corporate law reasons.

To the extent necessary, XIB will call a special meeting of its shareholders in order to approve the Consolidation and the Name Change and such other things as is necessary to complete the Transaction, including any shareholder approvals related to the Transaction required by the Exchange.

No finder's fees are payable in connection with the Transaction.

Directors and Officers of the Resulting Issuer

Following the Closing, the board of directors of the Resulting Issuer will initially be comprised of six directors, or such other number as may be stipulated by Mayur. It is anticipated that the following individuals will be directors and officers of the Resulting Issuer following completion of the Transaction: (i) Frank Terranova - Executive Chairman and Chief Executive Officer; (ii) Rod Watt - Executive Director and Chief Geologist; (iii) Sinton Spence - Non-Executive Director; (iv) Tim Crossley - Non-Executive Director; and (v) Stephen Kelly - Chief Financial Officer and Corporate Secretary. Two additional directors, including one nominee of XIB, are expected to be appointed or elected as directors.

Mr. Terranova has extensive experience as a director and executive for a diverse range of resource companies across various global jurisdictions having generated substantial value for shareholders through organically growing companies and successful M&A transactions. He is the former Managing Director of Allied Gold PLC, which successfully developed and operated gold mines in Papua New Guinea and Solomon Islands. Prior to that he was the Managing Director of Polymetals Mining Limited and led its transformation through a merger with Southern Cross Goldfields Limited in 2013 and oversaw the combined group's recapitalisation program. Mr. Terranova is a Chartered Accountant in Australia.

Mr. Watt is a highly experienced geologist and resources executive with over 30 years experience in both major and junior resource companies. He has demonstrated success in managing complex multi-commodity exploration / development projects across South East Asia and Australia. Previously, Rod spent 10 years with Anglo American holding the roles of Exploration / Country Manager in Papua New Guinea, Indonesia and the Philippines. Prior to joining Anglo American, he spent a number of years working in the junior resource sector and before this 17 years with Western Mining Corp where he last held the position of Chief Geologist / Site Manager. In addition to being a qualified geologist, Rod has a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.

Mr. Spence is a Chartered Accountant based in Port Moresby, Papua New Guinea, and the Principal of Sinton Spence Chartered Accountants, Papua New Guinea's largest independent accounting firm. In 2006, he was awarded an MBE by the Queen for services to Papua New Guinea commerce and the community. He has had extensive experience in company practice in Papua New Guinea and is an experienced company director. He has held positions as a director of Sierra Mining and also Shell Oil Exploration and Production PNG Ltd.

Mr. Crossley has extensive experience as a director and mining executive, having operated some of Australia's largest mining businesses including roles as Deputy CEO of ASX-listed Gloucester Coal, and President and Chief Operating Officer at BHP Billiton's West Australian Iron Ore business. Tim also held the position of Executive General Manager of carbon steel materials for Gina Rinehart's Hancock Prospecting Pty Ltd's Roy Hill project. Tim has also held senior roles in BHP's manganese business and metallurgical coal business and was a Director in ASX-listed VDM Group. Tim is also a former President of the Northern Territory Minerals Council and Executive Chairman of Trans-Tasman Resources.

Mr. Kelly is a highly experienced director, Chief Financial Officer and Company Secretary. A qualified Australian Chartered Accountant, Mr. Kelly has more than 30 years international experience in the areas of external and internal audit, risk management and compliance, treasury and corporate finance across a range of industry sectors including agribusiness, mining, infrastructure, property development and banking and finance. Mr. Kelly has experience providing Company Secretarial and Chief Financial Officer services to companies listed on stock exchanges in Australia, Canada and the United Kingdom. Mr. Kelly is a Member of the Institute of Chartered Accountants in Australia.

Financing Arrangements

As part of, and as a condition to the completion of, the Transaction, MRE Financeco will complete the Concurrent Financing to raise gross proceeds of not less than C\$5,000,000.

As part of, and as a condition to the completion of, the Transaction, it is also expected that a founders financing will be completed as soon as reasonably practicable following the date hereof for gross proceeds of C\$120,000 (the "**Pre-Seed Financing**") at an effective price of C\$0.02 per share on a post-Consolidation basis (as defined below). The precise structure and the terms and conditions of the Pre-Seed Financing will be mutually agreed upon by the Parties. However, it is expected that the Pre-Seed Financing will be undertaken as a non-brokered private placement of subscription receipts by a new single purpose Canadian corporation (the "**Pre-Seed Financeco**") to be incorporated for the purposes of conducting the Pre-Seed Financing pursuant to which the gross proceeds from the Pre-Seed Financing will be placed in escrow pending the satisfaction of all conditions precedent to the completion of the Transaction, upon which the escrowed proceeds will be released to Pre-Seed Financeco, the subscription receipts will convert into common shares of Pre-Seed Financeco, and such shares will be exchanged for a total of 6,000,000 XIB Shares on a post-Consolidation basis (assuming a C\$120,000 financing).

As part of, and as a condition to the completion of, the Transaction, it is also expected that an initial seed financing will be completed as soon as reasonably practicable following the date

hereof for gross proceeds of C\$2,000,000 (the “**Seed Financing**” and, together with the Concurrent Financing, the “**Financings**”) at an effective price of C\$0.15 per share on a post-Consolidation basis, with Mayur participating for C\$460,002 of the Seed Financing. The precise structure and the terms and conditions of the Seed Financing will be mutually agreed upon by the Parties. However, it is expected that the Seed Financing will be undertaken as a non-brokered private placement of subscription receipts by MRE Financeco pursuant to which the gross proceeds from the Seed Financing will be placed in escrow pending the satisfaction of all conditions precedent to the completion of the Transaction, upon which the escrowed proceeds will be released to MRE Financeco, the subscription receipts will convert into MRE Financeco Shares, and such MRE Financeco Shares will be exchanged for a total of 13,333,334 XIB Shares on a post-Consolidation basis (assuming a C\$2,000,000 financing).

There may be cash commissions and/or broker warrants paid and/or issued to brokers and/or eligible finders in relation to the Financings and the Pre-Seed Financing.

Sponsorship

Sponsorship of a Qualifying Transaction of a Capital Pool Company is required by the Exchange unless an exemption from the sponsorship requirement is available. XIB intends to apply for a waiver from the sponsorship requirements. There is no assurance that XIB will be able to obtain such a waiver.

Additional Information

Further details about the Transaction, including further particulars of the Resulting Issuer, the Acquisitions, the Financings and the Pre-Seed Financing and a summary of MRE’s financial information, will be provided in a subsequent comprehensive press release as required by the Exchange, as well as a filing statement of XIB to be prepared and filed in respect of the Transaction. Investors are cautioned that, except as disclosed in the filing statement, 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.

All information contained in this press release with respect to XIB and Mayur and MRE was supplied for inclusion herein by the respective Parties and each Party and its directors and officers have relied on the other Party for any information concerning the other Party.

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.

For further information please contact Ted Browne, CEO of XIB, by email at ted@xibfinancial.com or by telephone at 647-943-0736.

Notice on Forward-Looking Information

Information set forth in this news release contains forward-looking statements. These statements reflect management's current estimates, beliefs, intentions and expectations regarding the future, including, but not limited to, XIB's completion of the Transaction and related transactions, XIB entering into the Definitive Agreement, the completion of the Acquisitions, the completion of the Financings and the Pre-Seed Financing, the proposed officers of the Resulting Issuer and the conditions to be satisfied for the completion of the Transaction. Such statements are not guarantees of future performance. They are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including risks related to factors beyond the control of XIB. Such factors include, among other things: the Parties may not enter into the Definitive Agreement; the requisite corporate approvals of the directors and shareholders of the Parties may not be obtained; the Exchange may not approve the Transaction; the Acquisitions may not be capable of being completed as currently expected or at all; sufficient funds may not be raised pursuant to the Financings and the Pre-Seed Financings; and other risks that are customary to transactions of this nature. 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 XIB will obtain from them. Except as required under applicable securities legislation, XIB undertakes no obligation to publicly update or revise forward-looking information.