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Kanadario Gold Announces Proposed Change of Leadership, Name Change and Private Placement Financings

Vancouver, B.C., October 23, 2020 – Kanadario Gold Inc. (“**Kanadario**” or the “**Company**”) (TSXV: KANA) is pleased to announce that subject to TSX Venture Exchange and shareholder approval, it has negotiated a change of management agreement (the “**Change of Management Agreement**”) with Life of Mine Investments Inc. (“**LOMI**”) the investment arm of G Mining Services Inc. (“**G Mining Services**”), and members of the Gignac family, pursuant to which the Company will complete several corporate changes (the “**Transaction**”) including replacing the current management and board of directors of the Company and renaming the Company to build on the G Mining Services brand (the renamed Company being referred to herein as “**G Mining Ventures**”). Following the Change of Management, the Company will continue as a mining issuer in the exploration and development space. G Mining Ventures will be led by Louis Gignac Sr. as Chairman and Louis-Pierre Gignac as Chief Executive Officer.

In conjunction with the proposed change of management, the Company is pleased to announce that it has entered into an agreement with Sprott Capital Partners LP (“**Sprott Capital**”), as lead underwriter of a syndicate of underwriters including BMO Capital Markets (collectively, the “**Underwriters**”), pursuant to which the Underwriters have agreed to purchase, subject to certain conditions, 62,000,000 units of the Company (the “**Units**”) at a price of \$0.50 per Unit (the “**Issue Price**”) for aggregate gross proceeds of \$31 million (the “**Brokered Offering**”). The Underwriters have been granted an option to acquire up to an additional 12,400,000 Units (representing 20% of the Units comprising the Brokered Offering) at the Issue Price (the “**Underwriters’ Option**”).

Concurrently with the closing of the Brokered Offering, LOMI and related persons will be directly subscribing for 10,800,000 Units at the Issue Price for gross proceeds of \$5.4 million (the “**Non-Brokered Offering**” and together with the Brokered Offering, the “**Offerings**”). The combined gross proceeds from the Offerings assuming full subscription and exclusive of the take up of the Underwriters’ Option totals \$36.4 million.

As part of the Brokered Offering, the Lundin family and related persons have committed to subscribe for a minimum of \$5 million of Units.

The presumptive incoming Chief Executive Officer, Louis-Pierre Gignac, commented: “I am excited about the launch of G Mining Ventures with an objective of acquiring a significant gold asset in the near future. Based on the track record of our team, the ideal acquisition target is an advanced development project or an operating asset which can be substantially improved. We are committing efforts to targets that can fit our strategy and where we believe our management team would deliver value to our shareholders. We have been active for several months in evaluating a number of potential asset acquisitions and conducting preliminary due diligence, though there is no assurance that current evaluations will result in an acquisition.”

G Mining Ventures Highlights:

- **Experienced leadership team:** Executive team and directors led by Louis-Pierre Gignac (CEO) and Louis Gignac Sr. (Non-Executive Chairman), a proven team with a strong track record of project development and mine operations
- **Growth corporate objective:** To acquire at least one advanced-stage gold asset within the first year, in a tier-one jurisdiction focused in the Americas, where management's proven expertise in mine building and optimization can best be leveraged (the "**Objective**")
- **Industry leading technical team:** Arm's length master service agreement to be entered into with G Mining Services, a private consultancy directly involved in the successful construction and development of the Fruta del Norte gold mine in Ecuador (Lundin Gold Inc.) and the Merian gold mine in Suriname (Newmont Mining Corp.)
- **Sprott partnership:** Sprott Resource Lending Corp. ("**Sprott Lending**"), a leading financier to the mining sector globally holds 9.9% of G Mining Ventures, has indicated its willingness to assist in funding future project acquisitions and project development opportunities
- **Aligned with shareholders:** Pro forma on completion of the Offerings the incoming management and directors will be significant shareholders, including the Gignac family

The Transaction

The Transaction is comprised of the following:

Replacement of Executive Management

Concurrent with the closing of the Brokered Offering, the current management of Kanadario will resign and be replaced. Key management additions will be led by Louis-Pierre Gignac as CEO.

Louis-Pierre Gignac, P. Eng., M.Sc.A., CFA | CEO – Mr. Gignac has more than 20 years of experience in the mining industry. His expertise includes managing project development studies, providing open-pit expertise, financial modeling, and economic evaluation of projects. He has coordinated many mandates with numerous major mining companies ranging from early exploration evaluations to operations optimization involving all fields of mining and geology. He is a member of the Ordre des Ingénieurs du Québec ("**OIQ**") and the Canadian Institute of Mining ("**CIM**"). He holds a Bachelor of Mining Engineering from McGill University and a Master's degree of Applied Science in Industrial Engineering from the École Polytechnique de Montréal and is a CFA Charterholder. Mr. Gignac also serves as a director of Major Drilling.

Replacement of Board of Directors

Concurrent with the closing of the Brokered Offering, the current members of the board of directors of Kanadario will resign and be replaced. The Company's board of directors is expected to consist of eight directors, four of which will be appointed concurrent with such closing (the "**Board Change Condition**"). The initial four directors will be Louis Gignac Sr. serving as Chairman and include David Fennell, Elif Levesque and Norman MacDonald. Louis-Pierre Gignac, Dušan Petković, Jason Neal and a nominee from the Lundin family would be subsequently added to the Company's board

of directors or stand for nomination at the next meeting of shareholders. Brief biographies of the initial four nominees are as follows:

Louis Gignac Sr., Eng., M.Sc., D.Eng., ICD.D. | Chairman – Mr. Gignac Sr. has more than 45 years of experience in the mining industry. He has been involved, during his professional career, in the development and operations of some 20 mines throughout the Americas and West Africa. For 20 years, he served as President and CEO of Cambior Inc., an intermediate public mining company listed both in Canada and the USA and was involved in many M&A transactions and financings in addition to project development and operations management. He is also a member of the Canadian Institute of Corporate Directors (“ICD”), the OIQ and the CIM. He holds a Doctorate of Engineering in Mining Engineering from the University of Missouri Rolla, a Master’s degree in Mineral Engineering from the University of Minnesota, and a Bachelor of Science degree in Mining Engineering from Laval University. He has previously served as a director to many public companies (Canada, USA and Australia) over the last 25 years and currently serves as a director of Franco Nevada Corp. Mr. Gignac was inducted in the Canadian Mining Hall of Fame in 2016.

David Fennell | Director – Mr. Fennell has over 35 years of experience in the mining industry and has served as the Chairman of Reunion Gold since its inception in 2003. He received a law degree from the University of Alberta in 1979 and practiced law until he founded Golden Star Resources Ltd. in 1983. While at Golden Star, he was instrumental in the discovery and development of the Omai Gold Mine in Guyana and the Gross Rosebel Mine in Suriname. In 1998, Mr. Fennell became Chairman and CEO of Hope Bay Gold Corporation. He held this position through the merger of Hope Bay and Miramar Mining Corporation and remained as Executive Vice-Chairman and a director for the combined entity until its takeover by Newmont Mining Corporation in 2008. Mr. Fennell also serves as Chairman of Highland Copper Company Inc., and he is a director of Sabina Gold & Silver Corp. and Torex Gold Resources Ltd.

Elif Levesque | Director – Ms. Levesque is a Chartered Professional Accountant with over 25 years of experience in finance, treasury and strategic management in the mining industry and currently serves as Founder and CFO of Nomad Royalty Company Ltd. Prior to her current role, she was VP Finance and CFO of Osisko Gold Royalties Ltd. (“**Osisko**”) since its creation in June 2014. In that capacity, she was responsible for leading the efforts to list Osisko on the New York Stock Exchange and played a key role in acquisitions of over \$1.5 billion in stream and royalty interests as well as equity and debt financings of over \$1 billion. Prior to this, she held senior roles at Osisko Mining Corporation from 2008 to 2014, including as VP and Controller, and was part of the management team that grew the company through the financing and construction of the Canadian Malartic mine and its eventual sale to Yamana Gold Inc. and Agnico Eagle Mines Ltd. for \$4.3 billion. She also worked for six years at Cambior Inc., a leading intermediate gold producer with mines in North and South America, which was later acquired by IAMGOLD Corporation. Ms. Levesque also serves as a director of Cascades Inc. and Gold Terra Resource Corp.

Norman MacDonald | Director – Mr. MacDonald has over 25 years of experience at natural resource focused institutional investment firms, including over 10 years as Senior Portfolio Manager for the Invesco Canada Equity team. Mr. MacDonald began his investment career in 1994 at State Street Bank and Trust as a derivatives analyst. He later moved to Ontario Teachers’ Pension Plan Board, where he worked for three years in progressive roles from research assistant to portfolio manager. His next role was as a VP and Partner at Beutel, Goodman & Co. Ltd. Prior to joining Invesco, Mr. MacDonald was a VP and Portfolio Manager at Salida Capital Corp. Mr. MacDonald earned a Bachelor of Commerce Degree from the University of Windsor and is a CFA Charterholder.

Corporate Name Change

Concurrent with closing of the Brokered Offering, the Company intends to change its name to include “G Mining”. It is expected that following the name change, the ticker symbol of the common shares of the Company (“**Common Shares**”) will also be changed.

The Offerings

With respect to the Brokered Offering, the Underwriters have agreed to purchase, subject to certain conditions, 62,000,000 Units at the Issue Price for aggregate gross proceeds of \$31 million. Each Unit will consist of one Common Share and one-half of one Common Share purchase warrant of the Company (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder to acquire one additional Common Share at a price of \$0.80 for a period of 18 months following the closing of the Offering; provided that if the volume weighted average closing price of the Common Shares on the TSX Venture Exchange or such other stock exchange on which the Common Shares are trading (the “**Exchange**”) is equal to or greater than \$1.60 for a period of 10 consecutive trading days, the Company may at its option elect to accelerate the expiry of the Warrants by providing notice to the holders thereof within 10 calendar days following the end of such 10 consecutive trading day period, in which case the Warrants will expire on the date specified in such notice, which shall be not less than 30 calendar days following delivery of such notice. The Company has granted the Underwriters’ the option to purchase from treasury of the Company at the Issue Price up to an additional 20% of the number of Units purchased as part of the Brokered Offering. The Underwriters’ Option shall be exercisable, in whole or in part, on or before the date that is three business days prior to closing of the Brokered Offering, for additional gross proceeds of up to \$6.2 million.

With respect to the Non-Brokered Offering, LOMI and affiliates are subscribing directly for 10,800,000 Units at the Issuer Price for gross proceeds of \$5.4 million. Completed and fully executed subscription agreements in respect of the Non-Brokered Offering are to be delivered to the Company and the gross proceeds of the Non-Brokered Offering are to be deposited into escrow with counsel to the Company, acting as escrow agent, prior to the completion of the Brokered Offering (the “**Escrow Closing**”), and are to be released to the Company as soon as practicable against delivery by the Company of the Units subscribed for under the Non-Brokered Offering following the Shareholder Approval (as defined below) of the Non-Brokered Offering. Such escrow release will be subject to the Board Change Condition having been complied with by the time of such release.

Prior to the Transaction, LOMI and Louis Gignac Sr. owned 4,800,000 Common Shares representing 19.7% of the issued and outstanding Common Shares. Following completion of the Offerings, including full exercise of the Underwriters’ Option, LOMI and Louis Gignac Sr. will hold approximately 14.2% of the outstanding Common Shares.

The Company intends to use the net proceeds of the Offerings for general corporate and working capital purposes towards the Objective.

The Units will be issued on a private placement basis in certain provinces of Canada and such other jurisdictions as may be mutually agreed upon by Sprott Capital and the Company, in each case, pursuant to applicable exemptions from the prospectus requirements under applicable securities laws.

Each of the Brokered Offering and the Escrow Closing of the Non-Brokered Offering are expected to close in the second half of November, 2020. The closing of the Brokered Offering will be subject to: the conditional approval of the Exchange of the Brokered Offering; the approval of the shareholders of the Company of the Transaction to the extent and on such terms as required by the Exchange; the completion of the Board Change Condition concurrent with the completion of the Brokered Offering; the completion of the Escrow Closing of the Non-Brokered Offering; and the Change of Management Agreement being in full force and effect prior to the completion of the Offering.

Financial Backing from Sprott Lending

The Company will be supported by Sprott Lending, a subsidiary of Sprott Inc., a global leader in precious metals investing. Following completion of the Offering, including full exercise of the Underwriters' Option, Sprott Lending will own approximately 9.9% of the outstanding Common Shares.

Dušan Petković, Principal of Sprott Lending, who will be joining the board of directors, commented: "As one of the largest investors dedicated to the natural resource sector, Sprott is excited to build on its long-standing relationship with the G Mining Ventures team. Our partnership is consistent with our strategy of providing innovative and flexible capital to exceptional management teams."

Board Approval

The board of directors of Kanadario has unanimously approved the Transaction and the Offerings.

Shareholder Approvals

The Company will seek the approval of the Transaction by a majority of disinterested shareholders of the Company by way of written consent in accordance with Section 6.4 of Policy 3.2 of the TSXV Corporate Finance Manual.

The Company will also seek the approval of the Non-Brokered Offering by the minority shareholders of the Company voting at a meeting of shareholders of the Company (as required pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*) expected to take place on or about December 15, 2020 (the "**Shareholder Approval**"). Further details in this regard will be included in a material change report to be filed by the Company.

Early Warning Report

LOMI will file an Early Warning Report pursuant to National Instrument 62-103 upon the execution of the Change of Management Agreement disclosing its content. A copy of the Early Warning Report of LOMI, once filed, may be obtained by contacting: Life of Mine Investments Inc., Attention: Diane Quesnel, 7900 Boul. Taschereau, Edifice D, Suite 200, Brossard, QC J4X 1C2; Tel: 450-465-1950.

About Kanadario Gold Inc.

The Company is a mineral exploration company currently focused on the exploration and development of the Cameron Lake Property, located in the west-central part of Quebec.

About G Mining Services Inc.

G Mining Services is a specialized mining consultancy firm based in Brossard, Quebec offering a wide range of services to both underground and open pit mining projects. G Mining Services possesses the capabilities to develop a resource from the exploration phase, to development, into construction, commissioning and then operations. G Mining Services self-performs project development with an objective of building fit-for-purpose and cost effectively.

About Sprott Inc.

Sprott is an alternative asset manager and global leader in mining and real asset investments. Through its subsidiaries in Canada, the US and Asia, Sprott is dedicated to providing investors with best in-class investment strategies that include Exchange Listed Products, Alternative Asset Management and Private Resource Investments. Sprott also operates Merchant Banking and Brokerage businesses in both Canada and the US. Sprott is based in Toronto with offices in New York, Carlsbad, and Vancouver and the shares of its parent company, Sprott Inc., are listed on the Toronto Stock Exchange and the New York Stock Exchange under the symbol (TSX/NYSE:SII). For more information, please visit www.sprott.com.

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