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1287401 B.C. Ltd. Announces Proposed Business Combination with McFarlane Lake Mining Incorporated.

Vancouver, BC - August 16, 2021 – 1287401 B.C. Ltd. (the “**Company**”), a reporting issuer in the Provinces of British Columbia and Alberta is pleased to announce that it has entered into a non-binding letter of intent dated August 16, 2021 (the “**LOI**”) with McFarlane Lake Mining Incorporated (“**McFarlane**”), whereby the Company and McFarlane agree to enter into good faith negotiations in respect of a transaction to combine their respective businesses (the “**Proposed Transaction**”).

About McFarlane

McFarlane is a private mineral exploration company incorporated under the *Business Corporations Act* (Ontario) on August 21, 2020. McFarlane has entered into 3 separate option agreements encompassing 6 properties containing gold mineralization. Three of the six properties have historic mines which were past producers of gold with two of the six properties having non-compliant 43-101 gold resources.

The CSM Option

One of the three option agreements (the “**CSM Option**”) is with a private company called Canadian Star Minerals (“**CSM**”). CSM has property rights to certain mineral properties in northern Ontario and Manitoba. CSM has granted to McFarlane an exclusive option (the “**CSM Option**”) to acquire a 100% interest in three separate mining properties: the High Lake, West Hawk Lake and McMillan Mine properties (the “**CSM Optioned Properties**”). The CSM Option term (the “**CSM Option Term**”) commenced on February 23, 2021 and expires on the six-month anniversary thereof, subject to a three month extension period (the “**Extension Period**”) at McFarlane’s option. McFarlane has provided notice to CSM that it wishes exercise its rights to the Extension Period. In order to keep the CSM Option in good standing, McFarlane must make the following payments to CSM:

- \$50,000 within 3 business days following the execution of the Agreement; and
- \$200,000 payable in 4 equal payments of \$50,000 on the first day of the second, third, fourth and fifth months of the Option Term (together with any Extension Payments (as defined below, the “**Option Payments**”).

Further McFarlane and CSM have worked co-operatively to prepare an independent technical report in accordance with National Instrument Standard 43-101 *Standards of Disclosure for Mineral Projects* in respect of the West Hawk Lake and High Lake properties which are McFarlane’s principal exploration focus.

The CSM Option is exercisable at any time during the Option term or the Extension Period at McFarlane’s discretion. In the event McFarlane exercises the Extension Right, McFarlane is required to pay to CSM on the first day of each month of the Extension Period an additional \$50,000 for each month that the Option Term is extended up to a maximum of \$150,000 (the “**Extension Payments**”).

In the event McFarlane exercises the CSM Option and determines to purchase the CSM Optioned Properties, McFarlane and CSM shall enter into a definitive purchase agreement, which shall provide that the purchase price of the Optioned Properties is an aggregate of \$5,500,000, which shall be comprised of the Option Payments made to date, \$2,000,000 in cash and securities of either McFarlane or another issuer, in either case in connection with a “going public” transaction of McFarlane, with a value of \$3,500,000 less any Option Payments made to CSM.

During the Option Term, McFarlane is permitted to conduct diligence in respect of the Optioned Properties in order to make a determination whether to purchase the Optioned Properties. The Agreement provides that McFarlane is granted a licence to enter upon the Optioned Properties during the Option Term to make such tests and inspections as McFarlane determines necessary.

In the event that McFarlane exercises the Option and acquires the Optioned Properties, McFarlane's near term exploration work will focus on the West Hawk Lake Property in Manitoba followed by the High Lake Property in Ontario. These two properties cover an area totalling 660 hectares. The West Hawk Property is located in Southwestern Manitoba, Canada approximately 5 km west of the Ontario-Manitoba border near the community of Hawk Lake and 2 km from the Trans Canada Highway. It consists of one mining lease covering an area of 318.68 hectares. It is centered approximately 53 km west of the town of Kenora and 130 km east of the city of Winnipeg. The High Lake Property is located immediately east of the Ontario-Manitoba border in Northwestern Ontario, Canada. It consists of 20 mining leases covering an area of 341.49 hectares. It is centered approximately 45 km west of the town of Kenora.

The other property that is subject to the CSM Option is the McMillan Mine property (the "**MacMillan Mine**"). It lies 75 km east of Sudbury, Ontario near the town of Espanola along Highway 6, approximately 15 km from the Trans Canada Highway. The McMillan Mine is a past producing gold mine which operated some 90 years ago. McMillan Mine was an underground gold mine and also had mill processing facilities on the property. The total property covers 268 hectares and comprises of 12 mining leases. Over 60,000 tonnes of minerals were mined historically at the McMillan Mine with a grade of 5 grams/tonne of gold in ore (Ontario Geological Survey report 1991). McFarlane has not done sufficient work to classify this historical estimate as a current mineral resource or mineral reserve. McFarlane is not treating this historical estimate as a current mineral resource or mineral reserve.

McFarlane has not performed any exploration on either the High Lake, West Hawk Lake or McMillan Mine Properties. There has been extensive work carried out by previous explorers on High Lake and West Hawk Lake including the most recent work conducted by the Optionor from 2010 to 2012. Previous work included geological mapping, soil sampling, geophysical surveys (magnetometer and VLF/EM), trenching, rock sampling, and drilling. However, as the known mineralized zones on the Project have not been completely explored and delineated by drilling, McFarlane believes there is potential for expanding the known mineralized zones and locating other mineralized zones within the Project. McFarlane and CSM have contracted Sears, Barry & Associates Limited of Sudbury, Ontario to produce a technical report in the form mandated by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI43-101**").

Other Inventory Properties

McFarlane also has rights by way of option agreement to acquire two other mineral properties; the Mongowin property (the "**Mongowin Property**") and the Michaud/Munro property (the "**Michaud/Munro Properties**"). As noted above, the focus of McFarlane's exploration and development activities will be on the High Lake and West Hawk Lake properties. However, McFarlane has determined it is in the company's best interests to add these additional properties to its inventory as it believes that these additional properties show great potential. There will need to be a great deal of additional exploration work conducted on the Mongowin Property and the Michaud/Munro Properties before any assurances can be made in this regard.

The Mongowin Option

The Mongowin Property is located in Ontario and has been optioned from Transition Metals (the "**Mongowin Option**"). The Mongowin Property lies adjacent to and along strike of the McMillan Mine and covers over 2600 hectares comprised of a number of mining leases and claims. The Mongowin Property has two past gold producing mines; namely, the Fox Lake Mine and the Majestic Mine.

Key components of the Mongowin Option are:

- exclusive option for access to and purchase for 5 months; initial deposit of \$15k, extendable for an additional 3 months at \$15k /month, if required;
- total compensation upon purchase of \$585k comprised of \$85k in cash and \$500k in stock; and
- 1.5% net smelter returns royalty across the property (in addition to an existing royalty on a small portion of the property in an underlying agreement of 1.0%, 0.5% of which can be re-purchased for \$600k).

The Ontario Geological Survey identified the Mongowin/McMillan Mine area as one of Ontario's top gold exploration zones in its 2010 and 2011 reports. The McMillan Mine, the Fox Lake Mine and the Majestic Mine lie within 3 km of each other.

The Michaud/Munro Option

The Michaud/Munro Properties have been optioned from a privately held Ontario numbered company (the "Michaud/Munro Option") held by the Chief Executive Officer of McFarlane. The Michaud property is located in the prolific Timmins gold camp near the well-known Porcupine-Destor fault system which has seen numerous gold mines in operation over the past century, including 6 currently operating mines. The Michaud property lies adjacent to Mayfair Gold Corp.'s Fenn-Gib exploration property. The Munro property lies in the Kidd-Munro stratigraphic assemblage within the Abitibi Greenstone Belt. The current producing Kidd Creek mine and past producing Potter, Potterdoal and Hedman mines lie within this geological setting.

Key components of the Michaud/Munro Option are:

- exclusive option for access to and purchase for 5 months; initial deposit of \$20k;
- Compensation at closing is additional \$30k and \$550k in stock; and
- 1.5% Royalty across the property with a re-purchase right of 1% for \$1.5m.

Proposed Transaction Terms

The Proposed Transaction will be structured following a review of the applicable tax, securities, corporate law, and other relevant considerations. The issuer resulting from the Proposed Transaction (the "**Resulting Issuer**") will carry on the business currently carried on by McFarlane. It is anticipated that upon completion of the Proposed Transaction the board and management team of the Resulting Issuer will be comprised of nominees of McFarlane. The closing of the Proposed Transaction is subject to, among other customary conditions, entering into of a definitive agreement (the "**Definitive Agreement**") setting out the terms of the Proposed Transaction, the completion of the Concurrent Financing (as defined below) and the Resulting Issuer receiving conditional approval to have its common shares listed on the NEO Exchange (the "**Exchange**"). As at the date hereof, the common shares of the Company are not listed on any stock exchange. The Company and McFarlane intend to apply to list the common shares of the Resulting Issuer on the Exchange, but there can be no assurances that the Proposed Transaction will be completed or that the common shares of the Resulting Issuer will begin trading either on the Exchange, or at all, and neither the Company nor McFarlane makes any representations that the Proposed Transaction will be completed as contemplated or that trading on any stock exchange of the securities of the Company or McFarlane will occur.

When a Definitive Agreement between the Company and McFarlane is executed, the Company and McFarlane will issue a subsequent press release containing the details of the Definitive Agreement and additional terms of the Proposed Transaction.

Concurrent Financing

Pursuant to the terms of the LOI, McFarlane will also use reasonable efforts to complete one or more equity financings, resulting in gross proceeds not less than CAD\$5 million (the "**Concurrent Financing**"). The

Concurrent Financing will be used to ensure that the Resulting Issuer will meet the Exchange's initial listing requirements.

Qualified Person

The technical information contained in this news release has been reviewed and approved by Mark Trevisiol, the President & Chief Executive Officer of McFarlane and a "Qualified Person" within the meaning of NI 43-101.

Further Information

The Company will provide further details in respect of the Proposed Transaction in due course by way of press release, including details in relation to the Concurrent Financing. The Company and McFarlane will make available all information as required by applicable regulatory authorities and will provide, in a press release to be disseminated at a later date, the required disclosure. All information contained in this press release with respect to the Company and McFarlane was supplied by the parties respectively, for inclusion herein, without independent review by the other party, and each party and its directors and officers have relied on the other party for any information concerning the other party.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities to be issued in connection with the Proposed Transaction have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Investors are cautioned that, except as disclosed in the listing application 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 the Company should be considered highly speculative.

For more information, please contact:

1287401 B.C. LTD.

McFarlane Lake Mining Incorporated

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Cautionary Statement Regarding Forward Looking Information

Certain statements and information contained herein may constitute "forward-looking statements" and "forward-looking information," respectively, under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as, "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information. The forward-looking statements are not historical facts, but reflect the current expectations of management of the Company regarding future results or events and are based on information currently available to them. Certain material factors and assumptions were applied in providing these forward-looking statements. The forward-looking statements discussed in this press release may include, but are not limited to, information concerning the completion of the Proposed Transaction; appointment of the proposed board and management team of the Resulting Issuer; the

approval of the Exchange and the terms and completion of the Concurrent Financing. Forward-looking statements regarding the Company are based on the Company's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including capital expenditures and other costs. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.