

1287401 B.C. Ltd. and McFarlane Lake Mining Incorporated Announce Completion of \$6.2 Million Equity Financings

Vancouver, BC (December 10, 2021) – 1287401 B.C. Ltd. (“**128**” or the “**Company**”) and McFarlane Lake Mining Incorporated (“**MLM**”) are pleased to announce that, in connection with the Proposed Transaction (as defined below and detailed in the Company’s press release dated August 16, 2021), on December 9, 2021, MLM closed a brokered and non-brokered private placement offering of securities (together, the “**Offering**”) consisting of an aggregate of 7,955,000 units of MLM (the “**Units**”) at a price of \$0.40 per Unit (the “**Issue Price**”) and an aggregate of 7,717,500 flow-through common shares of MLM (the “**FT Shares**”) at the Issue Price. Each Unit consists of one common share of MLM (the “**MLM Shares**”) and one-half of one common share purchase warrant of MLM (each whole warrant, a “**Warrant**”). Each Warrant is exercisable to acquire one MLM Share at a price of \$0.60 for a period of 36 months from the date hereof. Pursuant to the Offering, MLM raised aggregate gross proceeds of approximately \$6.2 million.

The brokered portion of the Offering (the “**Brokered Offering**”) was led by Canaccord Genuity Corp. (the “**Agent**”).

The Offering was undertaken in connection with the previously announced business combination between MLM and 128, pursuant to which it is proposed that 128 will acquire all of the issued and outstanding securities of MLM by way of a three-cornered amalgamation involving 1000034047 Ontario Inc. (“**Subco**”), a wholly-owned subsidiary of 128 incorporated under the laws of the Province of Ontario, with such acquisition (the “**Proposed Transaction**”) constituting a reverse take-over of 128. 128 as the resulting issuer following the completion of the Proposed Transaction (the “**Resulting Issuer**”) will continue on the business of MLM. It is anticipated that the common shares of the Resulting Issuer (the “**Resulting Issuer Shares**”) will be listed for trading on the Neo Exchange Inc. (the “**Exchange**”), subject to fulfillment all of the Exchange’s listing conditions. 128 and MLM have not yet received listing approval for the Resulting Issuer Shares and there can be no assurances that such approval will be obtained, or that the Proposed Transaction will be completed as proposed or at all.

In consideration for its services in connection with the Brokered Offering, the Agent received a commission in the amount of \$333,830 and an aggregate of 834,575 broker warrants (the “**Broker Warrants**”). Each Broker Warrant entitles the holder thereof to acquire one Unit at an exercise price equal to the Issue Price for a period of 36 months following the date hereof. In addition, MLM issued 298,063 Units to the Agent in satisfaction of a corporate finance fee.

In consideration for certain advisory services provided in connection with the non-brokered portion of the Offering, the Agent received an advisory fee in the amount of \$105,000 and an aggregate of 262,500 advisory warrants, which match the terms and conditions of the Broker Warrants. In addition, MLM issued 93,750 Units to the Agent in satisfaction of a corporate finance advisory fee.

The net proceeds from the sale of the Units will be used by MLM to acquire mineral properties, and for general working capital purposes. The gross proceeds from the sale of FT Shares will be used by MLM to incur eligible “Canadian exploration expenses” that will qualify as “flow-through mining expenditures” as such terms are defined in the *Income Tax Act* (Canada) (the “**Qualifying Expenditures**”). All Qualifying Expenditures will be renounced in favour of the subscribers of the FT Shares effective December 31, 2021.

Concurrently with the Offering, Subco completed a non-brokered offering of 65,500 units (“**Subco Units**”) for gross proceeds of approximately \$26,200. The Subco Units consist of one common share of Subco (the “**Subco Shares**”) and one-half of one common share purchase warrant of Subco (each whole warrant, a “**Subco Warrant**”). Each Subco Warrant is exercisable into one Subco Share at a price of \$0.60 for a period of 36 months from the date hereof. Upon completion of the Proposed Transaction, holders of Subco Shares will be issued Resulting Issuer Shares in exchange for their Subco Shares, and warrants of the Resulting Issuer in exchange for their Subco Warrants with each such warrant exercisable for Resulting Issuer Shares on substantially the same terms as the Subco Warrants.

About McFarlane Lake Mining Incorporated

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.

About 1287401 B.C. Ltd.

128 was incorporated under Business Corporations Act (*British Columbia*) on February 3, 2021. 128 is a reporting issuer under the securities laws of the jurisdictions of Alberta and British Columbia. None of its securities, are listed or posted for trading on any stock exchange and no public market exists for any securities of 128.

For more information, please contact:

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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 and the approval of the listing of the Resulting Issuer Shares on the Exchange. 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.

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