

FLORENCE ONE CAPITAL INC. ENTERS INTO DEFINITIVE AGREEMENT WITH CAUTIVO MINING INC. FOR ITS QUALIFYING TRANSACTION

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Calgary, Alberta (October 6, 2025) – Florence One Capital Inc. ("**FONC**") (TSXV: FONC.P), a capital pool company listed on the TSX Venture Exchange ("**TSXV**"), is pleased to announce that, further to its news release dated May 16, 2025, it has entered into a share exchange agreement dated October 3, 2025 (the "**Share Exchange Agreement**") with Cautivo Mining Inc. ("**Cautivo Mining**"), a company managed by Arias Resource Capital Management L.P. ("**Arias Capital Management**"), pursuant to which FONC will acquire all of the issued and outstanding shares in the capital of Cautivo Peru Inc. ("**Cautivo Peru**", together with Cautivo Mining, "**Cautivo**") (together with the related transactions set out in the Share Exchange Agreement and this news release, the "**Transaction**").

The Transaction is intended to constitute FONC's qualifying transaction (the "**Qualifying Transaction**") pursuant to Policy 2.4 – *Capital Pool Companies* ("**Policy 2.4**") of the TSXV Corporate Finance Manual ("**TSXV Manual**"). The Transaction is subject to the approval of the TSXV and other closing conditions customary for a transaction of this nature as further set forth in the Share Exchange Agreement and this press release.

Terms of the Transaction

Share Exchange Agreement

Pursuant to the Share Exchange Agreement, FONC will acquire all of the issued and outstanding shares of Cautivo Peru, being 228,177,223 common shares in the capital of Cautivo Peru (the "**Cautivo Peru Shares**") from Cautivo Mining in exchange (the "**Share Exchange**") for the issuance of 60,000,000 common shares in the capital of FONC (each, an "**FONC Share**").

The Transaction will result in the reverse takeover of FONC and will constitute FONC's Qualifying Transaction. Following the completion of the Transaction, the Resulting Issuer (as defined below), is expected to carry on the current business of Cautivo Peru. The business of the Resulting Issuer will primarily be focused on the mining operations and exploration package of Cautivo Peru, which includes 31,288 hectares of land in a prospective gold-copper district in the Piura region of northern Peru.

Completion of the Transaction will be subject to a number of terms and conditions to be set forth in the Share Exchange Agreement, including, among other things: (i) there being no material adverse change in respect of either of the parties; (ii) the receipt of all necessary consents, orders, and regulatory and shareholder approvals, including the conditional approval of the TSXV, subject only to customary conditions of closing; (iii) the completion of the name change and the Subscription Receipt Financing (as defined below); (iv) the completion of a Share Consolidation (as defined below) of FONC; and (v) such other customary conditions of closing for a transaction in the nature of the Transaction.

Prior to the closing of the Transaction and as a condition of closing, Cautivo Mining will spin-off certain Trujillo assets and liabilities located in the department of La Libertad to a new entity, which will not be included as part of the Transaction and will not form any part of the property of the Resulting Issuer.

Upon completion of the Transaction, it is anticipated that the Resulting Issuer will be listed as a Tier 2 mining issuer on the TSXV.

Subscription Receipt Financing

Following execution of the Share Exchange Agreement, FONC will complete a private placement of subscription receipts (each, a "**Subscription Receipt**") of FONC, for aggregate gross proceeds of up to \$4,500,000 at \$0.23 per Subscription Receipt (the "**Subscription Receipt Financing**") or on such other terms as agreed to in writing by the parties. Each Subscription Receipt will entitle the holder thereof to receive one FONC Share upon the completion of the Transaction.

In connection with Subscription Receipt Financing, the parties may engage a broker or pay finder fees to persons who assist in identifying investors to participate in the Subscription Receipt Financing. Any broker or finder fees payable in connection with the Transaction will be made in accordance with TSXV policies and be disclosed in the comprehensive press release.

The proceeds of the Subscription Receipt Financing will be used for the purposes of: (a) financing the business plan of the Resulting Issuer; (b) Transaction expenses; and (c) general working capital. Terms of the Subscription Receipt Financing are subject to market conditions and will be disclosed once they become available. Proceeds from the Subscription Receipt Financing will be held in escrow pending satisfaction of certain escrow release conditions, including completion of the Transaction, as will be set forth in the Subscription Receipt Agreement to be entered into.

Share Consolidation

Prior to the closing of the Transaction, FONC will complete a consolidation of its issued and outstanding shares on the basis of one FONC post-consolidation share for every two FONC pre-consolidation shares (the "**Consolidation**").

Resulting Issuer

Name Change

Subject to any requirements of the TSXV and applicable Canadian securities laws, in connection with the closing of the Transaction, FONC will change its name to a new one as mutually agreed upon by FONC and Cautivo Mining (the "**Resulting Issuer**"), and as may be accepted by the relevant regulatory authorities. The Resulting Issuer's issued and outstanding shares (the "**Resulting Issuer Shares**") will be listed under a new trading symbol.

Pro Forma Share Ownership

Upon completion of the Transaction, including the Subscription Receipt Financing, Cautivo Mining will hold approximately 67.35% of the outstanding Resulting Issuer Shares on a non-diluted basis. It is anticipated that there will be an aggregate of approximately 89,082,217 Resulting Issuer Shares issued and outstanding upon completion of the Transaction, assuming the Subscription Receipt Financing is fully subscribed.

Directors & Officers

Subject to TSXV approval and applicable corporate law requirements, upon the closing of the Transaction, it is expected that the board of directors of the Resulting Issuer will be reconstituted to include three nominees of FONC and three nominees of Cautivo Mining.

Non-Arm's Length Relationships

If completed, the Transaction will not be a Non-Arm's Length Qualifying Transaction (as defined in Policy 2.4) and would constitute FONC's Qualifying Transaction. No Insider, Promoter or Control Person of FONC (as such terms are defined in TSXV Manual) are also insiders of Cautivo Peru. No Insider, Promoter or Control Person of FONC has any material interest in Cautivo Peru prior to giving effect to the Transaction.

Sponsorship

Sponsorship of the Transaction, as the Qualifying Transaction of FONC, is generally required by the TSXV unless an exemption from this requirement can be obtained in accordance with the policies of the TSXV. Should the parties apply for an exemption to the sponsorship requirement, there is no assurance that an exemption will be granted.

Trading Halt

In accordance with the policies of the TSXV, trading in FONC Shares is currently halted and will remain halted until completion of the Transaction. FONC does not intend to apply to the TSXV to have the trading of FONC Shares reinstated at this time.

Further Information

FONC will provide further details in respect of the Subscription Receipt Financing in due course by way of subsequent news release(s); however, FONC and Cautivo will make available to the TSXV all information, including financial information, as may be requested or required by the TSXV.

All information contained in this news release with respect to FONC and Cautivo Peru was supplied by the respective party 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.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to the policies of the TSXV, 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 or the Subscription Receipt Financing will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement of FONC 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 FONC should be considered highly speculative.

The TSXV has not, in any way, passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.

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 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.

About Cautivo Mining Inc.

Cautivo Mining is a private Canadian company whose shares are owned by funds managed by Arias Capital Management, a private equity firm focused on critical materials in the metals sector. Cautivo Mining is the 100% owner of Cautivo Peru, a private gold-producing company operating in northern Peru, currently producing over 300 ounces of gold per month. Cautivo Peru controls a 31,288-hectare land package in a prospective gold-copper district in the region of Piura. Cautivo Peru maintains 35 commercial agreements with artisanal miners, securing a steady supply of ore and contributing to community-aligned economic development. Cautivo Peru's business has been recognized for its environmental stewardship and small-scale miner formalization efforts.

About Florence One Capital Inc.

FONC is a capital pool company created under the policies of the TSXV. FONC has no active operations, and its sole objective is to identify and evaluate assets or businesses for a Qualifying Transaction.

Additional details regarding the Transaction will be provided in a comprehensive press release and the management information circular or filing statement to be filed under FONC's profile on Sedar+, at www.sedarplus.ca.

For further information, please contact:

Florence One Capital Inc.
Mohammad Fazil, President, CEO, CFO, Secretary, and Director
Email: mofazil@gmail.com
Tel: +1(403) 613-7310

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the TSXV Manual) accepts responsibility for the adequacy or accuracy of this release.

Notice on Forward Looking Information

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Such forward-looking statements or information include but are not limited to statements or information with respect to: the Subscription Receipt Financing, including amounts anticipated to be raised thereunder, the use of net proceeds from the Subscription Receipt Financing; receipt of TSXV approval; the details of any securities issuances, conversions, exchanges or cancellations; the anticipated directors, officers and insiders of the Resulting Issuer; and the closing of the Transaction. Often, but not always, forward-looking statements or information can be identified by the use of words such as "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information.

With respect to forward-looking statements and information contained herein, FONC and Cautivo have made numerous assumptions including among other things, assumptions about general business and economic conditions of Cautivo Peru and the market in which it operates. The foregoing list of assumptions is not exhaustive.

Although management of FONC and Cautivo believe that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forward-looking statements or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to: risks relating to the Subscription Receipt Financing; risks relating to the receipt of all requisite approvals for the Transaction, including the approval of shareholders and the TSXV; risks associated with the business of Cautivo Peru; business and economic conditions in the gold mining sector and industry generally; the supply and demand for labour and other project inputs; changes in commodity prices; changes in interest and currency exchange rates; risks relating to unanticipated operational difficulties (including failure of technology or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters); changes in general economic conditions or conditions in the financial markets; changes in laws; and other risk factors as detailed from time to time. FONC and Cautivo do not undertake to update any forward-looking information, except in accordance with applicable securities laws.