

# **LEGACY GOLD MINES LTD.**

**(formerly Prestwick Capital Corporation Limited)**

## **PRESTWICK COMPLETES QUALIFYING TRANSACTION TO BECOME GOLD EXPLORATION AND DEVELOPMENT COMPANY AND CHANGES ITS NAME**

### ***For Immediate Release***

**Calgary, Alberta** – October 4, 2024. **Legacy Gold Mines Ltd.** (TSXV: LEGY) (formerly Prestwick Capital Corporation Limited) (the “**Company**”) is pleased to announce that it has closed its previously announced “Qualifying Transaction” (the “**Transaction**”) effective October 3, 2024, with the result that the Company is now a Tier 2 mining issuer under the policies of the TSX Venture Exchange (the “**Exchange**”), holding an option (the “**Option**”) to acquire a 100% undivided interest in and to the mineral claims comprising the Baner gold project located in Idaho County, Idaho, USA (the “**Baner Gold Project**”).

### **Change of Name and Stock Symbol, Resumption of Trading**

**Trading in the common shares of the Company is expected to begin on the Exchange under the Company’s new name “Legacy Gold Mines Ltd.” and new stock symbol “LEGY”, on Tuesday, October 8, 2024.**

### **Qualifying Transaction**

In closing the Transaction, the Company acquired the Option and paid or issued (as applicable) to Champion Electric Metals Inc. (“**Champion**”), (a) \$75,000, (b) 1.1 million common shares of the Company (“**Common Shares**”) issued at a deemed price of \$0.235 per share, and (iii) warrants to purchase up to 200,000 Common Shares at \$0.30 per share for two (2) years from the date of issuance.

The Company can exercise the Option and keep it in good standing by making additional cash payments and issuing securities to Champion, as follows:

1. Paying or issuing (as applicable) to Champion within 18 months from the completion of the Transaction (“**Payment #1 Date**”):
  - a. \$350,000;
  - b. 200,000 Common Shares; and
  - c. warrants to purchase up to 200,000 Common Shares at the last closing price for the Common Shares prior to the date of issuance, for two (2) years from the date of issuance.
2. Paying or issuing (as applicable) to Champion within 12 months from the Payment #1 Date (“**Payment #2 Date**”):
  - a. \$500,000; and
  - b. warrants to purchase up to 200,000 Common Shares at the last closing price for the Common Shares prior to the date of issuance, for two (2) years from the date of issuance.

During the term of the Option, the Company will have the exclusive right to manage and operate all work programs carried out on the Baner Gold Project in its sole discretion. The Company will also be responsible for maintaining the Baner Gold Project in good standing through such time.

Upon satisfaction of the payments and securities issuances above, the Option will be deemed to be exercised and a 100% undivided interest in the Baner Gold Project will be transferred to the Company, free and clear of all encumbrances, subject to a 1% net smelter return royalty (the “**NSR**”) in favour of Champion. The Company may buy-back the NSR in consideration for payment of \$7.5 million to Champion.

The Company and Champion, along with an escrow agent, have entered into an escrow agreement providing for voluntary escrow of the securities of the Company issued to Champion as follows: (i) the Common Shares issued to Champion upon completion of the Transaction (including any Common Shares issued on exercise of the warrants issued on that date) will be subject to voluntary escrow until the Payment #1 Date; and (ii) the Common Shares issued to Champion on the Payment #1 Date (including any Common Shares issued on exercise of the warrants issued on that date) will be subject to voluntary escrow until the Payment #2 Date.

### **Board and Management**

Effective October 3, 2024, Brian Hinchcliffe has been appointed as Executive Chairman and Chief Executive Officer of the Company and Andrew Dunlop has been appointed Chief Financial Officer and Corporate Secretary.

Effective October 4, 2024, Mike Sutton has been appointed VP, Exploration of the Company.

The Board of Directors of the Company is Brian Hinchcliffe, Mike Sutton Trevor Gabriel and John Gravelle.

Biographies of board members and management are available in the Company's Filing Statement dated September 19, 2024 (the "**Filing Statement**") issued in connection with the Transaction. A copy of the Filing Statement can be obtained from the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Conversion of Subscription Receipts**

In connection with the completion of the Transaction, the escrow release conditions associated with the 13,500,000 subscription receipts (the "**Subscription Receipts**") issued by the Company on August 29, 2024 were satisfied (the "**Concurrent Financing**"). As a result, the Subscription Receipts were automatically converted for no further consideration into 13,500,000 Common Shares and the gross proceeds of the Concurrent Financing (\$2.7 million) were released to the Company.

See the Company's August 30, 2024 press release for further information regarding the Concurrent Financing, and as disclosed therein in detail: (i) a cash finder's fees of \$40,000; and (ii) the issuance of finders warrants to acquire up to 200,000 Common Shares at \$0.20 per share for 24 months from the date of issuance, are now payable and issuable, as applicable, by the Company as a result of completion of the Transaction.

In addition, the Subscription Receipts purchased under the Concurrent Financing by current related parties to the Company were automatically converted into Common Shares as follows: (i) 480,000 Common Shares were issued to Brian Hinchcliffe, a senior officer and director of the Company, on conversion of the Subscription Receipts purchased by him; (ii) 200,000 Common Shares were issued to Trevor Gabriel, a director of the Company, on conversion of the Subscription Receipts purchased by him; (iii) 500,000 Common Shares were issued to Mike Sutton, an officer and director of the Company effective October 4, 2024, on conversion of the Subscription Receipts purchased by him; (iv) 1,500,000 Common Shares were issued to Al Brimacombe, an insider of the Company because he currently holds more than 10% of the issued and outstanding Common Shares, on conversion of the Subscription Receipts purchased by him; and (v) 1,375,000 Common Shares were issued to Zila Corporation, an insider of the Company because it currently holds more than 10% of the issued and outstanding Common Shares, on conversion of the Subscription Receipts purchased by it.

Ten (10) "Pro Group" members (as defined in Exchange Policy 1.1) who subscribed for an aggregate of 2,109,500 Subscription Receipts under the Concurrent Financing, had their Subscription Receipts automatically converted into 2,109,500 common shares of the Company.

### **Transaction Finders Shares, Escrowed Securities and Transfer Within Escrow**

On closing the Transaction, the Company issued 150,000 Common Shares to Mike Sutton as a finder fee for the Transaction, which Common Shares are held in escrow pursuant to an escrow agreement with Alliance Trust Company, as escrow agent. These Common Shares will be released from escrow based on the Exchange's Tier 2 – Value escrow schedule as follows: 10% upon issuance of the Exchange bulletin granting final approval for the Transaction (the "**Final Bulletin**"); 15% on the date that is six months after the date of the Final Bulletin; 15% on the date that is 12 months after the date of the Final Bulletin; 15% on the date that is 18 months after the date of the Final Bulletin; 15% on the date that is 24 months after the date of the Final Bulletin; 15% on the date that is 30 months after the date of the Final Bulletin; and 15% on the date that is 36 months after the date of the Final Bulletin.

In accordance with the policies of the Exchange, there are an aggregate of 9,050,100 Common Shares held in escrow pursuant to another escrow agreement with Alliance Trust Company, as escrow agent. These Common Shares will be released from escrow based on the Exchange's CPC escrow schedule as follows: 25% upon issuance of Final Bulletin and an additional 25% every six months thereafter. Of these Common Shares, now that the Transaction has been completed, 500,000 Common Shares are to be sold and transferred within escrow to Mike Sutton by certain founding shareholders of the Company.

### **Additional Information**

Any reference to "\$" in this press release is to Canadian dollars.

Additional information about the Company and the Transaction is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Company's profile. The summary of the Transaction set out above is qualified in its entirety by reference to the description of the Transaction in the Filing Statement.

### **For further information, please contact:**

#### **Legacy Gold Mines Ltd.**

**Brian Hinchcliffe, Executive Chairman and Chief Executive Officer**

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*Resumption of trading on the Exchange is subject to a number of conditions. There can be no assurance that trading shall resume as set out herein or at all. Investors are cautioned that, except as disclosed in the Filing Statement or in this press release, any information released or received with respect to the Transaction or the resumption of trading may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news release.*

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

***This press release is not an offer of the Company's securities for sale in the United States. The Company's securities may not be offered or sold in the United States absent registration or an available exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and applicable U.S. state securities laws. The Company will not make any public offering of its securities in the United States. The Company's securities have not been and will not be registered under the U.S. Securities Act.***

***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.***

### **Early Warning Reporting**

*As a result of the completion of the Transaction and the conversion of the Subscription Receipts:*

- Zila Corporation (c/o GMS, Le Ruscino, 14 Quai Antoine 1er, Monaco, MC98000) (a founding shareholder of the Company) now owns and controls 2,875,000 common shares of the Company. Of these shares of the Company, 1,500,000 common shares were acquired by Zila Corporation in the founders round before the Company completed its initial public offering (acquired at an effective price of \$0.05 per share) and 1,375,000 common shares were acquired in connection with the Concurrent Financing (acquired at an effective price of \$0.20 per share). Zila Corporation held approximately 13.57% of the common shares of the Company before these transactions and now holds approximately 11.14% of the common shares of the Company. The Company is advised that Zila Corporation acquired these securities for investment purposes and has no present intention to acquire further securities of the Company, although it may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant.*

- *Al Brimacombe (c/o Suite 2400, 520 3<sup>rd</sup> Avenue SW, Calgary, Alberta T2P 0R3) (a founding shareholder of the Company) now owns and controls 2,875,000 common shares of the Company. Of these shares of the Company, 1,500,000 common shares were acquired by Mr. Brimacombe in the founders round before the Company completed its initial public offering (acquired at an effective price of \$0.05 per share), 1,500,000 common shares were acquired in connection with the Concurrent Financing (acquired at an effective price of \$0.20 per share), and 125,000 common shares are to be sold and transferred in the escrow transfer to Mike Sutton described above (to be sold at an effective price of \$0.05 per share). Mr. Brimacombe held approximately 13.57% of the common shares of the Company before these transactions and now holds approximately 11.14% of the common shares of the Company. The Company is advised that Mr. Brimacombe acquired these securities for investment purposes and has no present intention to acquire further securities of the Company, although he may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant.*

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:** *This press release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the resumption of trading and escrow of the common shares of the Company, the filing of early warning reports, exploration activities and results and other information concerning future events or the intentions, plans and future action of the Company described herein. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such information can generally be identified by the use of forwarding-looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.*

*By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, estimates, forecasts, projections and other forward-looking statements will not occur. These assumptions, risks and uncertainties include, among other things, the state of the economy in general and capital markets in particular, as well as those risk factors discussed in the Filing Statement or referred to in the Company's annual Management's Discussion and Analysis for the year ended December 31, 2023 available at [www.sedarplus.ca](http://www.sedarplus.ca), many of which are beyond the control of the Company. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.*

*The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.*