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June 10, 2020

**OPTION AGREEMENT FOR MOHAVE GOLD PROJECT, PRIVATE PLACEMENT,  
NEW PRINCIPALS AND  
QUALIFYING TRANSACTION**

Huffington Capital Corp. (TSX-V: HU.H) (the "Company") is pleased to announce that it has entered into a non-binding Letter of Intent effective June 9, 2020 with ML Nevada Corp. ("M3 Metals Nevada"), a wholly owned Nevada incorporated subsidiary of M3 Metals Corp. ("M3 Metals"), a TSX Venture Exchange listed company.

Under the terms of the Letter of Intent, M3 Metals would, through M3 Metals Nevada, grant to the Company an option (the "Option") under the terms of a mineral property option agreement to be drafted and executed (the "Option Agreement") to acquire up to a 90% interest in a mineral property option and purchase agreement (the "Underlying Agreement") under which M3 Metals has the right and option to acquire up to a 100% right, title and interest in and to certain mineral properties (the "Mohave Project") in Arizona.

The Company has also agreed to engage in a private placement (the "Private Placement") for gross proceeds of \$800,000.

In addition, the Company is anticipating three persons (the "New Principals") will join the Company as directors and officers upon, and conditional upon, closing of the Option Agreement and the Private Placement. The Option Agreement, Private Placement and appointment of the New Principals are referred to in this news release, collectively, as the "Transaction".

The Company was originally listed as a CPC. The Transaction constitutes its Qualifying Transaction.

Closing (the "Closing") of the transactions comprising the Transaction, including the Option Agreement, the Private Placement and the appointment of the New Principals, are anticipated to occur concurrently. Upon Closing, it is anticipated that the Company will be a Tier II mining issuer on the TSX Venture Exchange (the "Exchange").

**THE OPTION AGREEMENT**

The Letter of Intent provides that the Company will be able to, under the terms of the Option Agreement, earn up to a 90% interest in and to the interest of M3 Metals Nevada in and to the Underlying Agreement by which M3 Metals Nevada could purchase the Mohave Project.

Under the terms of the Option Agreement, the Company, through a wholly owned Nevada subsidiary, is expected to assume all cash payments and Underlying Exploration Expenditures obligations in the Underlying Agreement.

In addition, the Company must make the following cash payments to M3 Metals and / or M3 Metals Nevada and must make the following exploration expenditures on the Mohave Project:

**To the second anniversary of the Option Agreement (70% interest):**

- CDN\$300,000 upon closing of the Option Agreement;
- CDN\$400,000 on the fifteen month anniversary of the Option Agreement; and
- CDN\$400,000 on the second anniversary of the Option Agreement.  
(collectively, the "Initial Option Agreement Payments")

Upon having made the Initial Option Agreement Payments and on the condition that the Company has kept the Underlying Agreement in good standing by making the Underlying Exploration Expenditures required in the Underlying Agreement, the Company will have earned a 70% interest in M3 Metals Nevada's right, title and interest in the Underlying Agreement.

**To the third anniversary of the Option Agreement (additional 10% interest)**

To earn an additional 10% interest, the Company must make the following payment and exploration expenditures:

- CDN\$2 Million payment (payable to M3 Metals in cash or up to 50% in Company shares (as those shares are valued at the time of issuance) at the Company's option) on or before the third anniversary of the Option Agreement; and
- A minimum of CDN\$1 Million in exploration expenditures on the Mohave Project including Underlying Exploration Expenditures made by the Company pursuant to the Underlying Agreement.

Upon having made the payment and expenditures above and on the condition that the Company has kept the Underlying Agreement in good standing by making the Underlying Exploration Expenditures required in the Underlying Agreement the Company will have earned an additional 10% interest (for a total 80%) in M3 Metals Nevada's right, title and interest in the Underlying Agreement.

**To the fourth anniversary of the Option Agreement (additional 10% interest)**

To earn an additional 10% interest, the Company must make the following payment and exploration expenditures:

- CDN\$3 Million payment (payable to M3 Metals in cash or up to 50% in Company shares (as those shares are valued at the time of issuance) at the Company's option) on or before the fourth anniversary of Option Agreement; and
- A minimum of CDN\$2 Million in additional exploration expenditures (for CDN\$3million aggregate exploration expenditures) on the Mohave Project including Underlying Exploration Expenditures made by the Company pursuant to the Underlying Agreement.

Upon having made the payment and expenditures above and on the condition that the Company has kept the Underlying Agreement in good standing by making the Underlying Exploration Expenditures required in the Underlying Agreement the Company will have earned an additional 10% interest (for a total 90%) in M3 Metals Nevada's right, title and interest in the Underlying Agreement.

The Company's interest at any time in the Underlying Agreement will be forfeited back to M3 Metals Nevada if: (i) the Company fails to make the cash payments or Underlying Exploration Expenditures required under the Underlying Agreement; or (ii) the Company advises M3 Metals it wishes to abandon the Mohave Project.

M3 Metals Nevada will retain a 10% interest in the Underlying Agreement (and through it, to the Mohave Project).

The remaining 10% interest will be carried until the time in which a feasibility study (the "FS") is delivered, at which point M3 Metals Nevada and Huffington through its subsidiary will enter into a joint venture arrangement. The FS must be done to at least that of a feasibility study as defined in CIM definition standards.

The Company, under the terms and conditions of the Option Agreement will act as operator on the Mohave Project.

Closing of the Option Agreement will occur with payment of the CDN\$300,000 to M3 Metals, receipt of written consent of the Vendors (as defined in "Terms of the Underlying Agreement" below) to the Option Agreement and regulatory approval.

## **THE UNDERLYING AGREEMENT**

The Underlying Agreement dated effective September 21, 2019 between M3 Metals Nevada and two vendors, DDS Resources LLC (an Arizona limited liability corporation) and Mohave Mine Partnership LLC (an Arizona limited liability corporation) (the two vendors being, collectively, the "Vendors") grants M3 Metals Nevada the option (the "Underlying Option") to acquire a 100% right, title and interest in and to the Mohave Project from the Vendors.

The Underlying Option can be exercised by making the following remaining cash payments to the Vendors and the following remaining exploration expenditures (the "Underlying Exploration Expenditures") on the Mohave Project:

*For the following: "Payment Commencement Date" means the earlier of: (i) the receipt of BLM approval of further permits to conduct work on the Mohave Project; and (ii) March 21, 2021. The Payment Commencement Date cannot be before September 21, 2020 under the terms of the Underlying Agreement.*

### **Cash Payments:**

The first cash payment due under the Underlying Agreement has been paid to the Vendors. The remaining cash payments are:

- On or before that day which is ten (10) days after the Payment Commencement Date, the sum of USD\$75,000 (the "Second Payment");
- On or before that day which is ten (10) days after the first anniversary of the Payment Commencement Date, the sum of USD\$100,000 (the "Third Payment");
- On or before that day which is ten (10) days after the second anniversary date of the Payment Commencement Date, the sum of USD\$150,000 (the "Fourth Payment");
- On or before that day which is ten (10) days after the third anniversary date of the Payment Commencement Date, the sum of USD\$200,000 (the "Fifth Payment"); and
- On or before that day which is ten (10) days after the fourth anniversary date of the Payment Commencement Date, the sum of USD\$3,000,000 (the "Final Payment").

#### **Underlying Exploration Expenditures:**

The following Underlying Exploration Expenditures remain to be made under the terms of the Underlying Agreement:

- USD\$200,000 in additional Underlying Exploration Expenditures after the Payment Commencement Date but on or before the date of the Third Payment;
- USD\$300,000 in additional Underlying Exploration Expenditures after the date of the Third Payment but on or before the date of the Fourth Payment;
- USD\$350,000 in additional Underlying Exploration Expenditures (for total aggregate Underlying Exploration Expenditures of \$900,000) after the date of the Fourth Payment but on or before the date of the Fifth Payment; and
- USD\$400,000 in additional Underlying Exploration Expenditures (for total aggregate Underlying Exploration Expenditures of \$1,300,000) after the date of the Fifth Payment but on or before the date of the Final Payment.

Upon exercise of the Underlying Option, the Vendors retain a 1.5% net smelter royalty in the Mohave Project.

No Non-Arm's Length Parties (as that term is defined in the policies of the Exchange) of the Company or New Principals: (i) has a direct or indirect interest in the Mohave Project or in M3 Metals; or (ii) is an insider of M3 Metals. The Transaction does not constitute a Non-Arm's Length Qualifying Transaction (as that term is defined in the policies of the Exchange). The Company is at Arm's Length to M3 Metals Corp.

As a result, the Company anticipates filing a CPC Filing Statement in connection with obtaining Exchange approval of the Transaction in lieu of a CPC Information Circular.

## **THE MOHAVE PROJECT**

The Mohave Project is comprised of a total of 160 claims including lode claims and mill-site claims within Mohave County, Arizona, USA.

The Mohave Project is host to high-grade and widespread anomalous gold in soil geochemistry over an area of approximately 10 square kilometres. The geochemistry indicates that the numerous historic gold mines within this 10 square kilometres area may be part of one hydrothermal system. The high-grade gold occurs in association with quartz-calcite veins, breccia, quartz and/or calcite sheeted veins, and stockworking. Samples ranged up to 41.77 gpt (grams per tonne) over 3 meters including 78 gpt (grams per tonne) gold over 1.5 metres from surface chip sampling (see M3 Metals Corp. new release dated May 5, 2020 for further disclosure and information). At many of the sites sampled only a portion of the mineralized package were sampled and require additional sampling to determine their full extent.

The current geological model at the Mohave Project indicates that an epithermal gold system was emplaced into an evolving volcanic/intrusive complex within a north-trending corridor undergoing extreme extension. These unique circumstances provided fluid pathways for the gold bearing fluids to fill of which many remain predominantly untested by drilling.

Historically there have been more than 550 historic drill holes totaling approximately 68,000 feet drilled within limited areas of the Mohave Project. Most of these holes were shallow, 100 foot-deep, air-track holes, many of which stopped in mineralization. Most of the work was done by private companies in the 1980's and 1990's who spent approximately USD\$12 million installing infrastructure to mine the shallow mineralization at surface.

Previous development work includes blasting of an initial bench at the historic Klondyke Mine contained within the Mohave Project representing the beginning of open-pit style operations. The blasted material remains stockpiled next to the primary jaw crusher located at the 350 tonne-per-hour crushing facility that remains on the Mohave Project's mill-site claims where heap-leach infrastructure including a heap-leach pad, buildings, a jaw crusher, two cone crushers and a conveyor system were installed and which remain in good condition.

The Company is currently preparing an independent NI 43-101 Technical Report on the Mohave Project (the "Report").

The Report will contain additional detail on the history and nature of business previously conducted on the Mohave Project and any available financial information regarding it.

## **THE PRIVATE PLACEMENT**

The Company is engaging in the concurrent Private Placement of 10,000,000 units (the "Units") at \$0.08 per Unit with each Unit comprised of one common share and one common share purchase warrant exercisable at \$0.12 for a period of one (1) year from the date of issue.

Proceeds of the Private Placement will be used to fund work on the Mohave Project, obligations under the Agreement and general working capital requirements of the Company.

A portion of the Units, namely those held by the New Principals, may upon issuance be subject to the Exchange's three year Tier II escrow agreement if the New Principals purchase in excess of 25% of the Private Placement Units.

## **NEW PRINCIPALS UPON CLOSING**

The existing Directors and Officers of the Company are anticipated to resign upon Closing save and except that the current President and CEO, Robert Meister, will assume the role of CFO. Their places will be assumed by the following persons as Directors and Officers:

### **Graham Harris**

It is anticipated that Graham Harris will be appointed Director, President and CEO of the Company upon Closing. He will replace Robert Meister who currently holds those positions.

Mr. Harris has over 40 years' experience in the finance industry, including as a senior VP of Canaccord Genuity Corp. (1999-2004) and as a senior VP and partner of Yorkton Securities (1989-1999). He has directly raised over 400 million in development and venture capital for public and private companies. He was a founder of Cap-Ex Iron Ore Ltd., a founding director of M2 Cobalt Corp- recently merged with ASX listed Jervois Mining Ltd. and is the founder of Millennial Lithium Corp. Mr. Harris currently serves as Chair and a Director of Millennial Lithium Corp. Mr. Harris holds a BA Econ from the University of British Columbia.

### **Dr. Peter J. MacLean**

It is anticipated that Peter MacLean will be appointed Director of the Company upon Closing.

Dr. MacLean has over 25 years of exploration and development experience in North America, South America and Africa. Currently Dr. MacLean is SVP, Technical Services for Millennial Lithium Corp. and involved in all aspects of Millennial's lithium brine project in Argentina. Previously Dr. MacLean was SVP, Exploration, for Allana Potash Corp., and directed all exploration and development activities on its Danakhil potash project in Ethiopia. Dr. MacLean has also worked extensively on base metal and precious metal projects throughout the Americas with Aur Resources, Monarch Resources, Newmont Gold, and Hecla Mining and is fluent in Spanish. Dr. MacLean holds a PhD in Geology from the University of Western Ontario and is a professional geologist (PGeo).

### **Farhad Abasov**

It is anticipated that Mr. Abasov will be appointed Director and Chair of the Company upon Closing.

Mr. Abasov has over 15 years of experience founding and managing natural resource companies. He is the Chair of Automotive Finance Corp. Most recently, Mr. Abasov served as President & CEO of Allana Potash Corp., a potash development company which was sold to Israel Chemical

Ltd. for \$170M in 2015. Mr. Abasov was also the Executive Chair of Rodinia Lithium, a company developing lithium brine assets in Argentina, and was a co-founder of Potash One which was acquired by German potash company K+S for \$430M in 2010. Prior to Potash One, Mr. Abasov was Senior Vice President, Strategy at Energy Metals which was acquired by Uranium One for \$1.8B in 2007. Mr. Abasov has an MBA from International University of Japan. He is currently President and CEO of Millennial Lithium Corp., a Tier I TSX Issuer.

## **CLOSING AND REGULATORY APPROVAL**

The Closing of the Transaction is subject to the receipt of regulatory approval from the Exchange including approval of the Private Placement, the Agreement and review of the suitability of the New Principals.

The Company must, prior to receipt of regulatory approval, submit the Technical Report to the Exchange together with a CPC Filing Statement. Both documents will, once finalized, be filed on the SEDAR system under the Company's issuer profile.

The Company anticipates applying for a waiver of the Exchange's sponsorship requirements.

There are a number of conditions on Closing in addition to regulatory approval from the Exchange including receipt of the written consent of the Vendors and the Company providing evidence to the Exchange that it will meet Tier II CLR upon Closing.

No finder's fees, commissions or other similar fees are payable in connection with the Closing of the Transaction or any component of it including the Private Placement.

Upon Closing, the Company would commence trading on Tier II of the Exchange as a mining issuer.

Dr. Peter J. MacLean, Ph.D., P. Geo., has acted as the Company's Qualified Person in reviewing and approving the technical information presented in this news release.

**On behalf of the Board of Directors**

***"Robert Meister"***

**Robert Meister,  
Director, President and CEO**

*Completion of the Transaction is subject to a number of conditions including, but not limited to, Exchange acceptance and if applicable pursuant to Exchange requirements, 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 will be completed as proposed or at all.*

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

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

*This news release may contain certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. When or if used in this news release, the words "anticipate", "believe", "estimate", "expect", "target", "plan", "forecast", "may", "schedule" and similar words or expressions identify forward-looking statements or information. These forward-looking statements or information may relate to future prices of commodities in particular of gold, accuracy of mineral or resource exploration activity, reserves or resources, regulatory or government requirements or approvals, the reliability of third party information, continued access to mineral properties or infrastructure, currency risks including the exchange rate of US\$ for CDN\$, changes in exploration costs and government royalties or taxes in Canada, the United States, Arizona or other jurisdictions and other factors or information. Such statements represent the Company's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social risks, contingencies and uncertainties. Many factors, both known and unknown, could cause results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements. The Company does not intend, and does not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements and information other than as required by applicable laws, rules and regulations.*