



## **NUBIAN SIGNS BINDING LETTER OF INTENT TO ACQUIRE ADVANCED GOLD PROJECT IN VICTORIA, AUSTRALIA**

**Toronto, Ontario, May 28, 2020** – Nubian Resources Ltd. (TSX-V:NBR) (“Nubian” or the “Company”) is pleased to announce that on May 21, 2020 the Company entered into a binding letter of intent (“LOI”), subject to final due diligence and negotiation of definitive agreements, to acquire the Yandoit Gold Project, situated in the historic Daylesford gold corridor of central Victoria, Australia. The approximately 38 square kilometre (3,800 ha) property consists of one Mining Licence and one Exploration Licence, collectively the “Project”. The vendor, B.S.B. Mining Pty Ltd. (“BSB Mining”), an arm’s length party to Nubian, is currently finalizing the purchase of a second Exploration Licence that has six historic gold mines.

Located about 39 km northeast of the city of Ballarat and 100 km northwest of Melbourne, the advanced-stage Yandoit Gold Project is in a region that has seen punctuated periods of hard rock and alluvial gold mining over the past 160 years. Local geological environments are very similar to that seen in the higher activity Bendigo (e.g., Fosterville Mine, 70 km to the northeast), Castlemaine, and Malmsbury gold corridors located to the north and northeast. Sustained higher gold prices and recent success in understanding the gold depositional geology by Kirkland Lake Gold at its Fosterville Gold Mine has caused a modern day gold rush in the region.

Martin Walter, President & CEO of Nubian, commented, “Nubian is very pleased to have secured an opportunity to explore and develop an advanced-stage project in this exciting gold district of Australia. The Project is drill-ready with extensive deep radar geophysics being completed over 16 line kms. The goal is to fast-track the Project towards mine development. In conjunction with its aggressive plans to develop the Project, the Company is planning to undertake a private placement with the proceeds being utilized to acquire the option and advance drilling as soon as possible with a focus on the two known gold reefs, the Golconda and the Goldsmith reefs.”

### **Property Geology Details**

Gold mineralization in the Bendigo, Malden and Yandoit-Franklinford districts typically occurs as course gold in sediment-hosted stacked quartz reefs and within rich alluvial surface deposits. The gold-bearing quartz reefs form in faults and along dilational features associated with anticlinal and synclinal folds and structural offsets. Recent sampling by BSB Mining (not confirmed by Nubian) returned gold grades up to 60 g/t Au from various parts of the Project. In 2008, prospectors discovered several 20oz+ specimens near the Golconda workings and extracted approximately 1,000 oz of alluvial gold and in July 1895, at Nuggetty Gully, Yandoit, near Daylesford, a former miner (Mr. George Brown) made the lucky discovery of a nugget estimated to contain 238oz of gold. Historical literature on the Project notes the Project’s high gold grades and several sizeable gold nuggets that have been found at surface, some very recently. Typical high-grade gold grades and widths in the Project area are +12-34 g/t Au over one to two metres.



Nubian has no knowledge of the reliability of the information included above and the Company notes that additional sampling, drilling and quality control will be required to verify the information. The Company plans to prepare a *National Instrument* 43-101 Technical Report on the Project in accordance with regulatory requirements.

The heart of the Yandoit Gold Project covers a 5 km long gold mineralized corridor that has been outlined at surface, defined through historical and current gold showings, exploration pits, gold reef workings, surface gossans, and gold bearing alluvial sands. The current Project operator, BSB Mining, has geologically mapped the 5 km long corridor, installed crushing and gold extraction equipment on site, has been intermittently producing gold from alluvial sediments. In 2019, BSB Mining installed a head-frame and a mine shaft down to the 27 metre level and three drives towards to Goldsmith's reef. This development work targeted gold mineralization associated with sediment-hosted quartz reefs that are typical of high-grade gold targets in the Victoria Goldfields.



Figure 1: Headframe near Goldsmith Reef



Figure 2: 27m deep shaft



Figure 3: Miner drilling the drive at Goldsmith

The five km long variably mineralized corridor will be the focus of Nubian's future exploration and drilling programs, designed to test for gold mineralization below and along strike of the current mine development activities.

### **Acquisition Terms**

Under the terms of the LOI, Nubian has paid an AU\$20,000 (approximately, C\$18,300) deposit for an exclusivity period of 90 days during which time Nubian will undertake due diligence and complete a financing of a minimum of AU\$650,000 (approximately, C\$595,000) and the parties will negotiate and enter into a definitive agreement. As part of the LOI, BSB Mining will be granted 2% net smelter return royalty, which can be purchased by Nubian at AU\$250,000 (approximately, C\$229,000) at any time after 36 months from the definitive agreement date.



Under the terms of the LOI, Nubian will acquire the 60% interest in the Yandoit Gold Project in exchange for (i) a cash payment of AU\$180,000 (approximately, C\$165,000) on the definitive agreement date, (ii) the issuance, on the definitive agreement date, of AU\$750,000 (approximately, C\$686,500) of Nubian common shares priced at a \$0.15 per common share (a maximum of approximately 4,600,000 common shares)), or at the share issuance price of its planned private placement; and (iii) the issuance on the date that is 18 months from the definitive agreement date of AU\$750,000 (approximately, C\$686,500) of Nubian common shares priced at the 20-day volume-weighted average price (“VWAP”) immediately preceding such date, up to a maximum of approximately 4,600,000 common shares. Additional payments under the LOI include: (i) a one-time payment of AU\$50,000 (approximately, C\$45,800) due 12 months from the signing of the definitive agreement; (ii) the sum of AU\$150,000 (approximately, C\$137,300), payable, at the Company’s election, in cash or in common shares of Nubian priced at the 20-day VWAP immediately preceding the date on which BSB Mining provides confirmation to Nubian of the transfer to it of ownership of the second exploration license, up to a maximum of 920,000 common shares; and (iii) an exploration expenditure commitment of AU\$1 million (approximately, C\$915,400) in the 24 month period post the signing of the definitive agreement. To acquire the remaining 40% interest in the Project, Nubian has agreed to make a payment of AU\$3.5 million (approximately, C\$3.2 million) within 36 months of the date of the definitive agreement, payable in common shares of Nubian priced at the 20-day VWAP immediately preceding the date that is 36 months of the definitive agreement date.

Closing of the acquisition is expected to occur August 19, 2020 and is subject to, among other things, the receipt of all necessary approvals and all conditions having been satisfied or waived with respect to the terms of the LOI including the approval of the TSX Venture Exchange (the “Exchange”). Technical information in this news release has been reviewed and approved by Dr. Scott Jobin-Bevans (P.Geol.), a Director of Nubian, who is a Qualified Person under the definitions established by the National Instrument 43-101.

### **Private Placement**

In connection with the acquisition, the Company is undertaking a non-brokered private placement of up to \$1,500,000 through the issuance of up to 10,000,000 units, each Unit being priced at \$0.15 and comprising one common share and one-half common share purchase warrant (each whole common share purchase warrant, a “Warrant”). Each Warrant is exercisable at \$0.20 for a period of 24 months post the closing date, provided, however that, if, at any time following the expiry of the statutory four month hold period, the closing price of the common shares on the Exchange is greater than \$0.50 for 20 or more consecutive trading days, the Warrants will be accelerated and the Warrants will expire on the 20<sup>th</sup> business day following the date of such notice. In connection with the private placement, the Company may pay finder’s fees of 6% cash and 6% compensation warrants in accordance with the policies of the Exchange.



## **ABOUT NUBIAN**

Nubian Resources Ltd. is a public traded precious and base metals exploration company listed on the TSX Venture Exchange. The Company is managed by a team of experienced mining and geological professionals. Nubian's main asset is the Esquilache Silver-Zinc Project located within the Tintaya porphyry copper belt of southern Peru. In May 2020, Nubian entered into an agreement to acquire and develop the Yandoit Gold Project in central Victoria, Australia.

For further information, please contact Martin Walter, Chief Executive Officer, Nubian Resources Ltd., at +1-416-389-5692 or [martin@nubianr.com](mailto:martin@nubianr.com).

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

### **Caution Regarding Forward Looking Statements**

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on Nubian's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward looking information relating to, among other things, statements with respect to the potential completion of the acquisition and the Private Placement, the terms and conditions of the acquisition and the Private Placement and the potential benefits of the acquisition and the Project. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to Nubian. Although such statements are based on reasonable assumptions of Nubian's management, there can be no assurance that any conclusions or forecasts will prove to be accurate.

Forward-looking information contained in this news release is based on certain factors and assumptions regarding, among other things, the Project, the Acquisition and the Private Placement, and other similar matters. While Nubian considers these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to variations in grade or recovery



rates, risks relating to changes in mineral prices and the worldwide demand for and supply of minerals, risks related to the COVID-19 pandemic and current global financial conditions, increased competition, access and supply risks, reliance on key personnel, operational risks regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing, capitalization and liquidity risks, title and environmental risks and risks relating to delay or failure to satisfy the closing conditions to the Acquisition and the Private Placement.

The forward-looking information contained in this release is made as of the date hereof, and Nubian is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.