

# Novo19 Capital Corp. Announces Signing of Definitive Agreement with Nobel Resources Corp.

Toronto, Ontario--(Newsfile Corp. - January 13, 2021) - **Novo19 Capital Corp.** ("**Novo19**"), an unlisted reporting issuer in British Columbia and Alberta, is pleased to announce it has entered an amalgamation agreement dated January 12, 2021 (the "**Definitive Agreement**") with Nobel Resources Corp. ("**Nobel**"), a private resource company incorporated under the laws of the Province of Ontario. Pursuant to the Definitive Agreement, Novo19 and Nobel have agreed to complete a three-cornered amalgamation (the "**Amalgamation**") pursuant to which Novo19 intends to acquire all of the issued and outstanding common shares of Nobel ("**Nobel Shares**") in exchange for the issuance of common shares of Novo19 ("**Novo19 Shares**") and, immediately following the Amalgamation, the parties intend to list Novo19 Shares ("**Resulting Issuer Shares**") on the TSX Venture Exchange (the "**Transaction**").

Following the completion of the Transaction, Novo19 (the "**Resulting Issuer**") will hold all of the assets of and continue the business of Nobel under the name "Nobel Resources Corp." (the "**Name Change**").

In connection with the Transaction, Nobel intends to complete a brokered offering of subscription receipts (each a "**Subscription Receipt**") of 20,020,000 at a price of \$0.40 per Subscription Receipt for gross proceeds of up to \$8,008,000 (the "**Subscription Receipt Offering**"). Clarus Securities Inc., Mackie Research Capital Corporation and Industrial Alliance Securities Inc. (collectively, the "**Agents**") shall act as agents under the Subscription Receipt Offering. Further details in respect of the Subscription Receipt Offering are provided below.

## The Transaction

Pursuant to the Amalgamation, Nobel will amalgamate with 2791419 Ontario Inc., a wholly-owned subsidiary of Novo19, under the *Business Corporations Act* (Ontario) and, in exchange for their Nobel Shares, the shareholders of Nobel shall receive post-Consolidation (as defined below) Novo19 Shares on a 1:1 basis. The Transaction is not a Non-Arm's Length Transaction pursuant to the policies of the TSX Venture Exchange (the "**Exchange**").

Prior to Closing, Novo19 intends to complete a consolidation (the "**Consolidation**") of Novo19 Shares on the basis of one (1) post-Consolidation Novo19 Share for every 6.6667 pre-Consolidation Novo19 Shares held. The Consolidation shall result in 2,025,790 post-Consolidation Novo19 Shares outstanding.

Following the completion of the Transaction, including the completion of the Consolidation, it is anticipated that an aggregate of approximately 62,045,790 Resulting Issuer Shares will be issued and outstanding, and: (a) current Nobel common shareholders will hold 40,000,000 Resulting Issuer Shares, representing approximately 64.5% of the outstanding Resulting Issuer Shares; (b) subscribers of Nobel Subscription Receipts will hold 20,020,000 Resulting Issuer Shares, representing approximately 32.3% of the outstanding Resulting Issuer Shares; and (c) current Novo19 common shareholders will hold 2,025,790 Resulting Issuer Shares, representing approximately 3.3% of the outstanding Resulting Issuer Shares, each on an undiluted basis.

The completion of the Transaction is conditional upon, among other things; (i) receipt of all required regulatory approvals, including the approval of the Exchange and satisfaction of the initial listing requirements of the Exchange; (ii) Nobel shareholders approving the Transaction; (iii) completion of the Name Change; (iv) completion of the Consolidation; (v) delivery by Nobel of a National Instrument 43-101 compliant technical report in respect of the Algarrobo Project (as defined below); (vi) completion of the Subscription Receipt Offering (as defined below) and (vii) meeting the other terms and conditions set

forth in the Definitive Agreement. There can be no assurance that the Transaction will be completed as proposed or at all.

Approval of the Transaction by the Novo19 Shareholders is not required under applicable corporate and securities laws, however, Novo19 is required to convene and hold a Novo19 meeting (the "**Novo19 Meeting**") to approve certain matters related to the Transaction such as the appointment of a new board of directors (a set out below) and change in auditors. The Novo19 Meeting is scheduled to be held on February 10, 2021. Pursuant to the provisions of the *Business Corporations Act* (Ontario), the Amalgamation requires the approval of the Nobel Shareholders.

### **Subscription Receipt Financing**

The Subscription Receipts will be created and issued pursuant to a subscription receipt agreement (the "**Subscription Receipt Agreement**") between Nobel, Computershare Trust Company of Canada, as subscription receipt agent and escrow agent, and Clarus Securities Inc.

The gross proceeds of the Subscription Receipt Offering shall be held in escrow pending satisfaction of certain conditions, including, among others, the completion or waiver of all conditions precedent to the completion of the Transaction (the "**Escrow Release Conditions**"). If the Transaction is completed and the Escrow Release Conditions are met (the "**Escrow Release Date**"), the escrowed proceeds of the Subscription Receipt Offering will be released to the Resulting Issuer, and each Subscription Receipt shall be deemed to be exercised. If the Escrow Release Conditions are not met, all proceeds from the Subscription Receipt Offering will be returned to subscribers together with any interest thereon. Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt shall be automatically converted into one Nobel Share, without any payment or further action on part of the holder, and, immediately thereafter, each Nobel Share shall be exchanged for a Resulting Issuer Share pursuant to the Amalgamation.

In connection with the Subscription Receipt Offering, the Agents shall receive (a) an aggregate cash fee equal to 7.0% of the gross proceeds from the Subscription Receipt Offering and (b) such number of broker warrants ("**Broker Warrants**") equal to 7.0% of the number of Subscription Receipts sold under the Subscription Receipt Offering, with each Broker Warrant entitling the holder to acquire one Nobel Share for a period of 24 months following the Escrow Release Date at a price of \$0.40 per share.

### **Directors and Officers of the Resulting Issuer**

Upon completion of the Transaction, it is anticipated that the current directors and officers of Nobel will resign and that the management team of the Resulting Issuer following the completion of the Transaction will be comprised of David Gower as Chief Executive Officer, Greg Duras as Chief Financial Officer, Vernon Arseneau as Chief Operating Officer and Damian Lopez as Corporate Secretary. It is anticipated that following the completion of the Transaction, the Resulting Issuer's board of directors will consist of five directors, namely David Gower, Vernon Arseneau, Lawrence Guy, Jeff Glass and Michael Shuh.

The relevant experience of the proposed officers and directors of the Resulting Issuer is set out below.

*David Gower, (P.Geo), CEO and Director*

Mr. Gower has held Executive and Director positions with several junior and midsize mining companies for the past 12 years, including Emerita Resources Corp., and President of Brazil Potash Corp. David spent over 20 years with Falconbridge (now Glencore) as Director of Global Nickel and PGM exploration and as a member of the Senior Operating Team for mining projects and operations. He led exploration teams that made brownfield discoveries at Raglan and Sudbury, Matagami Falcondo and greenfield discoveries at Araguaia in Brazil, Kabanga in Tanzania and Amazonas, Brazil. Mr. Gower is a Director of Alamos Gold Inc.

*Vernon Arseneau, (P. Geo), COO and Director*

Mr. Arseneau has over forty years of experience in exploration, project management and development, of which the last twenty-five have been in South America, principally in Peru, Chile, and Argentina. Mr. Arseneau spent 20 years working as exploration manager and senior geologist for Noranda Inc. in Canada and South America. He was general manager of Noranda's Peru office and project manager of the El Pachon porphyry Cu Mo project in Argentina. He has consulted on numerous base and precious metals projects including as Vice President Exploration for Zincore Metals Inc. and was responsible for the exploration and feasibility studies of two zinc deposits and the discovery of the Dolores Cu Mo porphyry, Peru. More recently, he was COO of Royal Road Minerals Ltd. exploring for gold in Colombia and Nicaragua. Mr. Arseneau holds a Bachelor of Science in Geology.

*Greg Duras, CFO*

Mr. Duras is a senior executive with over 20 years of experience in the resource sector in corporate development, financial management and cost control positions. Mr. Duras has held the position of CFO at several publicly traded companies, including Savary Gold Corp., Nordic Gold Corp., and Avion Gold Corp. He is currently CFO of Red Pine Exploration. Mr. Duras is a Certified General Accountant and a Certified Professional Accountant and holds a Bachelor of Administration from Lakehead University.

*Damian Lopez, Corporate Secretary*

Mr. Lopez is a corporate securities lawyer who works as a legal consultant to various Toronto Stock Exchange and TSX Venture Exchange listed companies. He previously worked as a securities and merger acquisitions lawyer at a large Toronto corporate legal firm, where he worked on a variety of corporate and commercial transactions. Mr. Lopez obtained a Juris Doctor from Osgoode Hall and he received a Bachelor of Commerce with a major in Economics from Rotman Commerce at the University of Toronto.

*Lawrence Guy, Director (Chair)*

Mr. Guy is Chief Executive Officer of North 52nd Asset Management Inc. and Chair of Emerita Resources Corp. Previously, Mr. Guy was a Portfolio Manager with Aston Hill Financial Inc. Prior to Aston Hill, Mr. Guy was Chief Financial Officer and Director of Navina Asset Management Inc., a company he co-founded that was subsequently acquired by Aston Hill Financial Inc. Mr. Guy has also held senior offices at Fairway Capital Management Corp. and First Trust Portfolios Canada Inc.

Mr. Guy holds a Bachelor of Arts degree from Western University and is a Chartered Financial Analyst.

*Jeff Glass, Director*

Mr. Glass is a partner at Blake, Cassels & Graydon LLP in Toronto. He advises leading investment dealers and senior issuers on public financings and securities regulatory matters. He also founded the Firm's Investment Products & Asset Management Practice. Mr. Glass is a member of the board of directors of the Canadian Olympic Foundation and the Fundraising and Donor Relations Committee of the Western University board of governors. He is also a former member of the board of directors of the Richard Ivey School of Business Alumni Association.

Mr. Glass holds H.B.A., LL.B. and B.A. from Western University.

*Michael Shuh, Director*

Mr. Shuh is a Managing Director, Investment Banking, at Canaccord Genuity. Mr. Shuh has over 20 years of investment banking experience and leads the Financial Institutions Group at Canaccord Genuity, Canada's largest independent investment bank. In addition to covering traditional financial institutions, Mr. Shuh has deep expertise in structured finance and special purpose acquisition

corporations (SPACs). Mr. Shuh is also the CEO and Chairman of Canaccord Genuity Growth II Corp., a publicly-listed SPAC that raised \$100MM to pursue acquisitions.

Mr. Shuh received an Honours, Bachelor of Business Administration from the Lazaridis School of Business & Economics at Wilfrid Laurier University and a Masters of Business Administration from the Richard Ivey School of Business at Western University.

## **Other Insiders**

There is no person or company that has been, within the two most recently completed financial years or during the current financial year, a promoter of Nobel or any Subsidiary of Nobel, as such term is defined in the *Securities Act* (Ontario).

## **About Nobel Resources Corp.**

Nobel is a private company existing under the laws of the Province of Ontario. Nobel's only business is the identification of resource properties for exploration and development and its principal asset is its 100% interest in the the Algarrobo IOCG Copper Project (the "**Algarrobo Project**") located in the coastal IOCG (Iron, Oxide, Copper, Gold) belt in northern Chile, approximately 25km from the port of Caldera on the Pacific Ocean. Pursuant to its option agreement with Minera Caldera SCM (the "**Option Agreement**"), Nobel can acquire a 100% ownership interest in the Algarrobo Project.

Algarrobo is an extensively mineralized IOCG (Iron Oxide Copper-Gold) system in one of the most important producing IOCG belts globally and is relatively unexplored except for an extensive history of small-scale mining. Production from Algarrobo is sold to Enami, the Chilean government mining company that has processing facilities (mill and smelter) in Copiapo approximately 50 km to the south. Algarrobo is located in the Atacama region of northern Chile. This area is host to numerous deposits including the Candelaria Mine with one of the large IOCG copper reserves in Chile.

## **About the Algarrobo Project**

The Project is located approximately 850 km north of Santiago, in Region III, Province of Chanaral, Chile. The Algarrobo Project is located in the southern Atacama Desert, with the city of Copiapo located approximately 43 km to the southeast and the port at Caldera 25 km to the east.

The Algarrobo Project consists of 21 "Angela" and 11 "Roble" tenures, comprising a total of 6,161 ha (15,224 acres).

The Algarrobo Project hosts high grade copper mineralization with exploration and development potential for significant expansion that is consistent with an Iron oxide-copper-gold deposit (IOCG) along the western margin of both the Chilean Iron Belt and the Atacama Fault Zone. The Cerro Negro Norte iron deposit, having and similar structural setting and possible associated IOCG-style mineralization, is located approximately 15 km east of the Algarrobo Project. Manto Verde (120 million tonnes grading 0.73% Cu (Marschik et al 2011), approximately 30 km north) and the Punta del Cobre (>120 Mt grading 1.5% Cu, 0.2 to 0.6 g/t Au, and 2 to 8 g/t Ag (van Angeren 2005)) - Candelaria (Lundin) (366 Mt grading 1.08 % Cu, 0.26 g/T Au, and 5g/T Ag (Raab 2010)) belt (approximately 60 km south) are examples of IOCG deposits similarly located in the belt and are considered to be possible analogues for mineralization and economic potential for the Algarrobo Project.

From the 1920's until 1997, sporadic manual production on a limited basis was undertaken by local miners on extensions of the veins previously mined at the Algarrobo Project. Mining operations to date on the Algarrobo Project, and immediately area, resulted in approximately 35 mines, ranging from near surface workings to more extensive operations extending several hundred metres below surface. The Algarrobo Project has only been exploited to very shallow depths.

Within the old mines on adjacent properties to the Algarrobo Project, copper, as copper oxides, were

mined to an approximate depth of 120 meters, with copper sulfide ores mined below to greater depth (i.e. 450 meters in the Viuda Mine). The mineralized trends are very well defined by abundant workings, both historical and those arising from more recent work, ranging from shallow pits and workings to mine development extending to depths up to 450 m below surface. Taken together, these workings delineate three major structures and a vast number of minor veins, having clearly evident surface extent of at least 1.3 km, with an interpreted potential surface extent of at least 4 km. In addition to the Major Veins, a number of subordinate, subsidiary and/or undeveloped veins are present between the Major Veins, defining the "Main Mineralized Trend". Veins on which the more significant workings have been developed are described as ranging between 1.2 and 3.5 metres at, or near, surface, and thickening with increasing depth up to 5 metres.

Analyses of select grab samples from the recently developed drifts, False Estaca and Descubridora, document "Direct Smelting Ore" grades of representative grab samples of Brochantite-bearing, high grade "Direct Smelting Ore" from Acme Analytical Laboratories S.A. in Copiapo confirm grades in excess of 30% copper. Independent analysis of a representative grab sample of Brochantite (Cu<sub>4</sub>SO<sub>4</sub>(OH)<sub>6</sub>), submitted to Acme lab in Santiago, returned an analysis of 34.27% Cu and 36 g/t Ag.

### **Above Novo19 Capital Corp.**

Novo19 is an unlisted reporting issuer incorporated under the laws of the Province of British Columbia. Novo19 was formerly a resource issuer listed on the Exchange; however, on August 7, 2015 the Exchange transferred Novo19's shares (then, Parkside Resources Corp.) to the NEX and on October 3, 2016 the Novo19 shares were delisted from the NEX. Novo19 has not carried on any active business since August 2015.

### **Qualified Person**

The scientific and technical information in this news release has been reviewed and approved by Mr. Vernon Arseneau, P. Geo, and Mr. David Gower P. Geo., Qualified Persons as defined by National Instrument 43-101 of the Canadian Securities Administrators.

### **Sponsorship**

Novo19 will be seeking an exemption from the sponsorship requirements of the Exchange in connection with the Transaction. There is no assurance that the Exchange will exempt Novo19 from all or part of the applicable sponsorship requirements of the Exchange.

### **Additional Information**

For additional information concerning the Transaction and the foregoing matters, please refer to Novo19's press release dated September 22, 2020, which is available under Novo19's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Further updates, including financial particulars, will be provided as the Transaction progresses and upon the parties receiving conditional approval from the Exchange. Novo19 and Nobel intend to file a listing application (Form 2B) with the Exchange.

All information contained in this press release with respect to Novo19 and Nobel was supplied by the parties respectively for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

For further information regarding Novo19, Nobel, the Resulting Issuer or the Transaction, please refer to the Filing Statement, which is available under Novo19's SEDAR profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Miller Thomson LLP acts as legal counsel to Nobel. Novo19 is represented by Chitiz Pathak LLP. The Agents are represented by Borden Ladner Gervais LLP.

## **For further information:**

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

## **Cautionary Note Regarding Forward-Looking Information**

*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 a capital pool company should be considered highly speculative.*

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

*Certain information in this press release may contain forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. Novo19 assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless and until required by securities laws applicable to Novo19. Additional information identifying risks and uncertainties is contained in filings by Novo19 with the Canadian securities regulators, which filings are available at [www.sedar.com](http://www.sedar.com).*

## **No stock exchange has reviewed the contents of this press release or the merits of the Transaction.**

This press 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 unless registered under the U.S. Securities Act and applicable state securities laws, unless an exemption from such registration is available.

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