

# **MAS Gold Corp. and Comstock Metals Ltd. Sign Letter of Intent for MAS Gold to Acquire 100% of Comstock's Preview SW Gold Project La Ronge, Saskatchewan**

December 14, 2021 (Source) – MAS Gold Corp. (“MAS Gold”) (TSXV: MAS) and Comstock Metals Ltd. (“Comstock” – TSX-V: CSL) are pleased to announce the signing of a non-binding letter of intent under which Comstock has agreed to sell 100% of its interest in its Preview SW gold deposit and property (“Preview SW Property”) to MAS Gold in consideration of the issuance of 30,000,000 common shares in MAS Gold (the “Proposed Transaction”).

Comstock's 843 hectare Preview SW Property is contiguous with MAS Gold's Preview-North Property in the La Ronge Gold Belt of northeastern Saskatchewan (see Figure 1). The Preview SW Property and portions of the Preview-North properties are located within the Mineral Exploration Zone of Lac La Ronge Provincial Park.

The addition of the Preview SW Property is synergistic with MAS Gold's deposits, significantly expanding MAS Gold's mineral asset base in the La Ronge Gold Belt.

The Preview SW Property's gold deposit hosts historical resources, at a 0.50 gram/tonne gold (g/t Au) cut-off grade (Technical Report, Simpson 2016<sup>1</sup>):

- An historical Indicated Mineral Resource containing 158,300 ounces of gold (2.61 million tonnes grading 1.89

- g/t Au); and
- An historical Inferred Mineral Resource containing 270,800 ounces of gold (5.70 million tonnes grading 1.48 g/t Au).

Upon the closing of the Proposed Transaction Comstock will have the right to appoint one director for a minimum of two years. Comstock will also provide additional funding in the amount of \$200,000, to be spent in Q1 2022 in conjunction with input from MAS Gold, exploring its Preview SW Property prior to closing of the Proposed Transaction. A definitive agreement will be signed prior to January 15th, 2022 and closing is anticipated in March, 2022 after both companies' AGM and shareholder vote anticipated to take place in late February, 2022.

Jim Engdahl, MAS Gold's President and CEO remarked, "We are very excited with the friendly acquisition of the Preview SW Property's gold deposit located within 10 kilometres of MAS Gold's North Lake gold deposit, the recently acquired former Contact Lake gold mine and Point gold deposit. Upon completion of the Proposed Transaction this high-quality asset combined with MAS Gold's mineral portfolio, which includes the recently updated North Lake and Greywacke North mineral resources announced December 6, 2021 and December 9, 2021, respectively, MAS Gold will become one of Saskatchewan's biggest gold developers."

Jim added, "Under the terms of the Proposed Transaction Steven Goldman, the President and CEO of Comstock will join the MAS Gold. We look forward to working with him."

Mr. Goldman, President commented, "On behalf of Comstock, I believe the Proposed Transaction will be highly advantageous and synergistic for both Comstock's and MAS Gold's shareholders. We are delighted to have the opportunity to pass Comstock's Preview SW gold project to MAS Gold where we believe the combination of gold resources, MAS Gold's

experienced management team, and technical mining talent, will quickly accelerate the creation of a significant gold deposit in the La Ronge Gold Belt. Ultimately we believe that the Proposed Transaction will help create significant shareholder value in the years to come for both Comstock's and MAS Gold's shareholders."

**Historical Preview SW Mineral Resource Summary <sup>1</sup>**

	INDICATED				INFERRED			
	Tonnes	Grade (g/t Au)	Cut-off (g/t Au)	In situ Gold (oz Au)	Tonnes	Grade (g/t Au)	Cut-off (g/t Au)	In situ Gold (oz Au)
Preview SW <sup>1</sup>	2,810,000	1.89	0.50	158,300	5,700,000	1.48	0.50	270,800

### Historical Preview SW Mineral Resource Summary (CNW Group/MAS Gold Corp)

For the purposes of this News Release and MAS Gold, the 2016 Simpson Technical Report is treated as historical. A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource and MAS gold is not treating this historical estimate as current mineral resources.

MAS Gold and Comstock consider the Preview SW historical mineral resource estimate to be relevant and reliable. The Preview SW estimate was constrained by 3D wireframes representing zones of high shear intensity and grade continuity. The drill database comprised 162 core holes totaling 26,250 m drilled between 1985 and 2013. Drill hole data was composited on 1 metre intervals and composites were capped at 50 g/t Au. Final gold grades were estimated using the inverse distance method to the 3rd power (ID3). Bulk density values were assigned to blocks according to lithology based on specific gravity field measurements. A block model was created in Gemcom-Surpac Vision© software using a block size 5 x 5 x 5 metres. Mineral resources amenable to open pit mining methods were constrained using a Lerchs-Grossmann optimized pit. Assumptions include US\$1,300/oz Au, 90% Au recovery, US\$2.50/tonne mining cost, US\$15.50/tonne process, and G&A cost. No allowances have been made for mining losses

and dilution. Pit slope angle of 45°.

The Preview SW estimate was classified using the definitions set out in CIM Definition Standards for Mineral Resources and Mineral Reserves (2010), which was superseded by CIM (2014). Similarly, the Preview SW estimate predates CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019). To verify the historical estimate as a current mineral resource a Qualified Person would need to prepare an updated mineral resource estimate and NI 43-101 technical report with respect to the Preview SW Property that incorporates additional drilling completed since the since 2013, which includes 24 holes totaling 4,700 metres targeting the Preview North zone and Preview SW during 2017 and 2018 (7 holes totalling 1,850 m at the Preview SW).

**MAS Gold Mineral Resource Summary**<sup>2,3</sup>

	INDICATED				INFERRED			
	Tonnes	Grade (g/t Au)	Cut-off (g/t Au)	In situ Gold (oz Au)	Tonnes	Grade (g/t Au)	Cut-off (g/t Au)	In situ Gold (oz Au)
North Lake <sup>2</sup>					18,100,000	0.85	0.40	494,000
Greywacke North <sup>3</sup>								
Underground	45,000	5.03	1.75	7,000	375,000	4.33	1.75	52,175
Open Pit	600,000	4.89	0.65	94,000	35,000	1.97	0.65	2,000
				101,000				548,200

MAS Gold Mineral Resource Summary (CNW Group/MAS Gold Corp)

### **Qualifying Statements and Mineral Resources**

The contained gold ounces are in situ. No assurance can be given that the estimated quantities will be produced. All figures have been rounded to reflect accuracy and to comply with securities regulatory requirements. Summations within the tables may not agree due to rounding.

Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by gold price, environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

The following Technical Reports are available on SEDAR:

1.	<p><i>43-101 Technical Report, Preview SW Gold Project, La Ronge, Saskatchewan</i>, prepared for Comstock Metals Ltd. by Ronald G. Simpson, P.Geo., Geosim Services Inc. Effective date September 27, 2016.</p>
2.	<p>A Technical Report will be issued within 45 days of MAS Gold's December 09, 2021 news release about the North Lake Mineral Resource update and will cover both the North Lake and Greywacke North Mineral Resource updates. The principal author and QP will be Stephen Godden, C.Eng. FIMMM, an Independent Mining Consultant; both David Thomas, P. Geo., and David Tupper, P. Geo., Vice President, Exploration of MAS Gold, will be co-authors (each being a QP).</p>
	<p>The December 9, 2021 announced North Lake Mineral Resource Estimate updates the <i>March 1, 2020 Technical Report on the 2020 Mineral Resource Estimate, North Lake Project</i> by S. Godden, D. Thomas and D. Tupper.</p>
3.	<p>A Technical Report will be issued within 45 days of Mas Gold's December 06, 2021 news release about the Greywacke North Mineral Resource update. It will cover both the North Lake and Greywacke North Mineral Resource updates. The principal author and QP will be Stephen Godden, C.Eng. FIMMM, an Independent Mining Consultant; both David Thomas, P. Geo., and David Tupper, P. Geo., Vice President, Exploration of MAS Gold, will be co-authors (each being a QP). All three QPs are responsible for the preparation of this news release; they have read and approved its technical aspects.</p>
	<p>The December 6, 2021 news release announced Greywacke North Mineral Resource Estimate updates the June 1, 2016, <i>43-101 Technical Report and Resource Update, Greywacke Lake Project, Saskatchewan, Canada</i> by F. Hrdy, E. Puritch, and M. Yakimchuk.</p>

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, execution of a binding definitive agreement relating to the Proposed Transaction, TSX Venture Exchange acceptance and shareholder approval. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

### **About MAS Gold Corp.**

MAS Gold Corp. is a Canadian mineral exploration company focused on gold exploration projects in the prospective La Ronge Gold Belt of Saskatchewan. In the belt, MAS Gold operates four properties including the Preview-North, Greywacke Lake, Elizabeth Lake and Henry Lake Properties that extend along segments totaling roughly 60 kilometres of the geologically prospective La Ronge, Kisseynew and Glennie Domains that make up the La Ronge Gold Belt (see Figure 1).

MAS Gold's holdings include the North Lake, Greywacke North, Bakos (Contact Lake) and Point gold deposits and the historically defined Elizabeth Lake copper-gold volcanic-hosted massive sulphide deposit within four properties totalling 34,703.4 hectares (85,753.8 acres).

The North Lake deposit located at the Preview-North Property is estimated to contain an Inferred Mineral Resource of 18,100,000 t grading 0.85 g/t Au, hence 494,000 contained ounces of gold. The Technical Report about the updated Mineral Resource estimate will be filed in January, 2022 (see MAS Gold news release dated December 9, 2021).

The Greywacke North deposit, which hosts multiple known stratabound, high-grade gold-bearing zones, has an updated, combined openpit and underground Indicated Mineral Resource of 645,000 t averaging 4.90 g/t Au for 101,000 insitu ounces of gold (600,000 t at 4.89 g/t Au, and 45,000t at 5.03 g/t Au, respectively), plus a combined openpit and underground Inferred Mineral Resource of 410,000 t averaging 4.12 g/t Au

for 55,000 insitu ounces of gold (35,000 t at 1.97 g/t Au, and 375,000 t at 4.33 g/t Au, respectively). The Indicated and Inferred Mineral Resources were estimated using openpit and underground cut-off grades of 0.65 g/t Au and 1.75 g/t Au, respectively. The Technical Report about the updated Mineral Resource estimate will be filed in January, 2022 (see MAS Gold news release dated December 6, 2021).

The Bakos deposit, located on the former Contact Lake Mine holding, was first identified by Saskatchewan Mining Development Corporation (SMDC; later Cameco Corporation) exploration field crews in 1984. Operations were conducted from December 1994 until closure in December 1998. Historical production and recovery values for the entire operation included 188,185 ounces gold produced from 1,006,673 tonnes processed with a head grade of 6.16 g/t Au at a recovery rate of 95% (Leniuk, G., B. Bharadwaj, G. Alderman & R. Wyka: *Cameco Corporation Contact Lake Operation, Final Report, January, 1999*). The mine was shut down during low metals prices, reportedly leaving undeveloped material in place. (see MAS Gold news release dated September 13, 2021).

The Point deposit has been the subject of multiple drill campaigns dating to the 1980's when Saskatchewan Mining and Development Corporation (SMDC; later Cameco) drilled 43 core holes. MAS gold completed 13 additional holes in 2019, intersecting multiple high-grade intercepts including 7.0 metres grading 14.99 g/t Au from 20.0 to 27.0 metres (see MAS Gold news release dated June 25, 2019).

### **About Comstock Metals Ltd.**

Comstock Metals has been advancing the Preview SW Gold Project, a resource-stage gold project in the La Ronge district of Saskatchewan (see Figure 1). The Preview SW deposit hosts an Indicated Mineral Resource containing 158,300 ounces of gold (2.61 million tonnes grading 1.89 g/t Au) and an Inferred Mineral Resource containing 270,800 ounces of gold

(5.70 million tonnes grading 1.48 g/t Au), both based on a 0.50 g/t Au cut-off grade. During 2017 and 2018, Comstock completed diamond drilling campaigns targeting the Preview North zone and the Preview SW deposit comprising 24 holes totaling 4,700 metres. Several additional, relatively untested targets remain on the Property, including the A, B, C, and Clearwater zones (see Figure 2).

Comstock has filed on SEDAR the 43-101 Technical Report, Preview SW Gold Project, La Ronge, Saskatchewan, prepared for Comstock Metals Ltd. by Ronald G. Simpson, P.Geo., Geosim Services Inc. Effective date September 27, 2016.

Red Cloud Securities Inc. is acting as financial advisor to Comstock with Fogler, Rubinoff LLP acting as legal advisor.

### **Qualified Persons**

The scientific and technical information contained in this news release has been prepared, reviewed and approved by David Tupper, P.Geo. (British Columbia), MAS Gold's VP Exploration and Kristopher J. Raffle, P. Geo.(British Columbia) Principal and Consultant of APEX Geoscience Ltd. of Edmonton, AB, on behalf of Comstock Metals, both Qualified Persons (QP) within the context of Canadian Securities Administrators' National Instrument 43-101; Standards of Disclosure for Mineral Projects (NI 43-101).

### **MAS Gold Corp.**

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## **Caution Regarding Forward Looking Information and Statements**

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. MAS Gold and Comstock caution that all forward-looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond their respective control. Such factors include, among other things: the failure to satisfy the conditions to completion of the Proposed Transaction set forth above, risks and uncertainties relating to MAS Gold's limited operating history, the need to comply with environmental and governmental regulations, results of exploration programs on their projects and those risks and uncertainties identified in each of their annual and interim financial statements and management discussion and analysis. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Mas Gold and Comstock. As a result, Mas Gold and Comstock cannot guarantee that the Proposed Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those

anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and Mas Gold and Comstock will only update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law. Except as required under applicable securities legislation, MAS Gold undertakes no obligation to publicly update or revise forward-looking information.

**Neither 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 news release.**

SOURCE MAS Gold Corp 

For further information: For further information about MAS Gold please visit both [www.masgoldcorp.com](http://www.masgoldcorp.com) or contact: Lubica Keighery, (778) 889-5476, [lubica@masgoldcorp.com](mailto:lubica@masgoldcorp.com); Comstock Metals Ltd., Steven H. Goldman, President & CEO, President, CEO & Director, T: 416-917-1533, Email: [s.goldman@goldmanhine.com](mailto:s.goldman@goldmanhine.com)

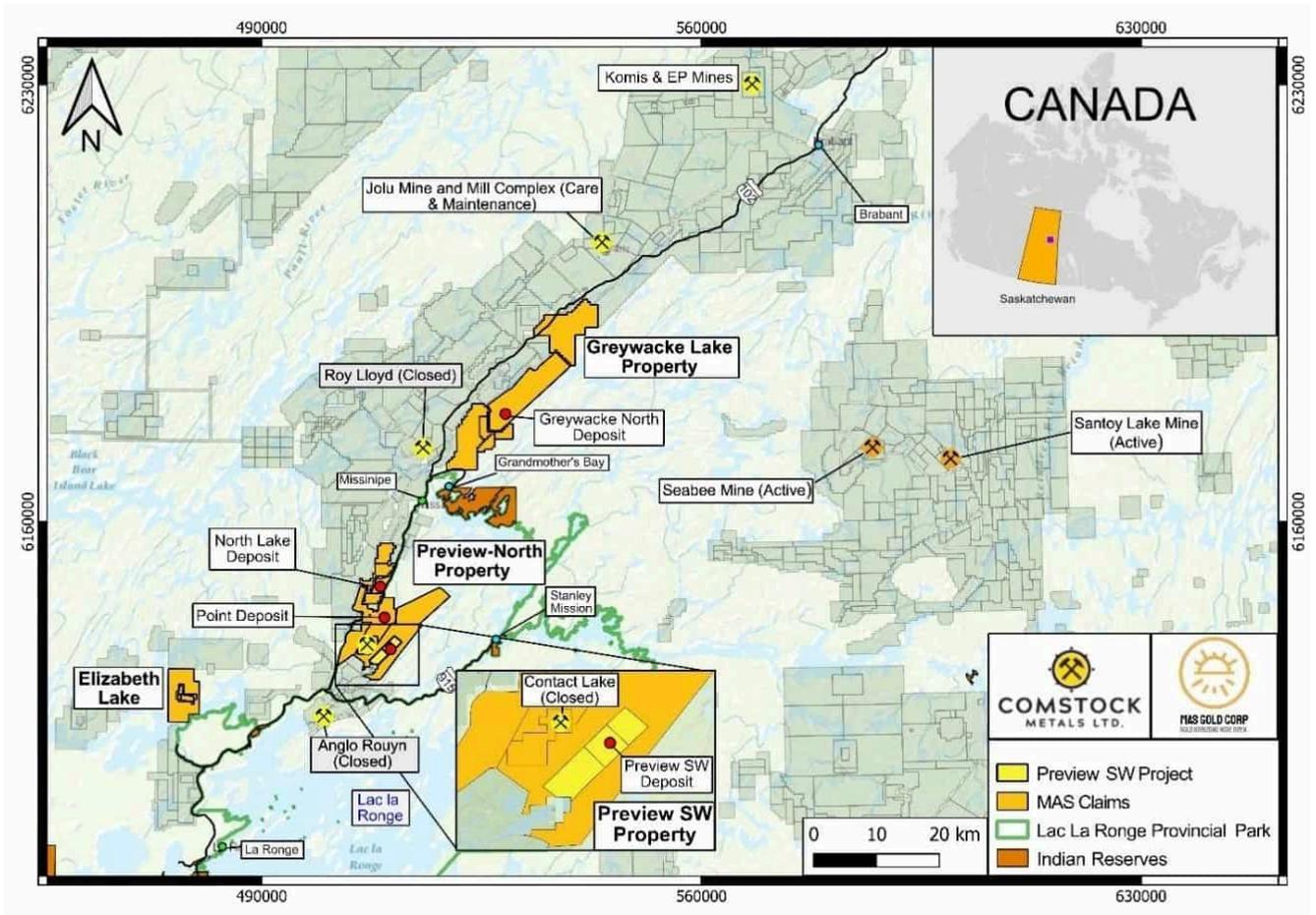


Figure 1: MAS Gold Corp. and Comstock Metals Ltd. claim holdings, La Ronge Gold Belt, Saskatchewan (CNW Group/MAS Gold Corp)

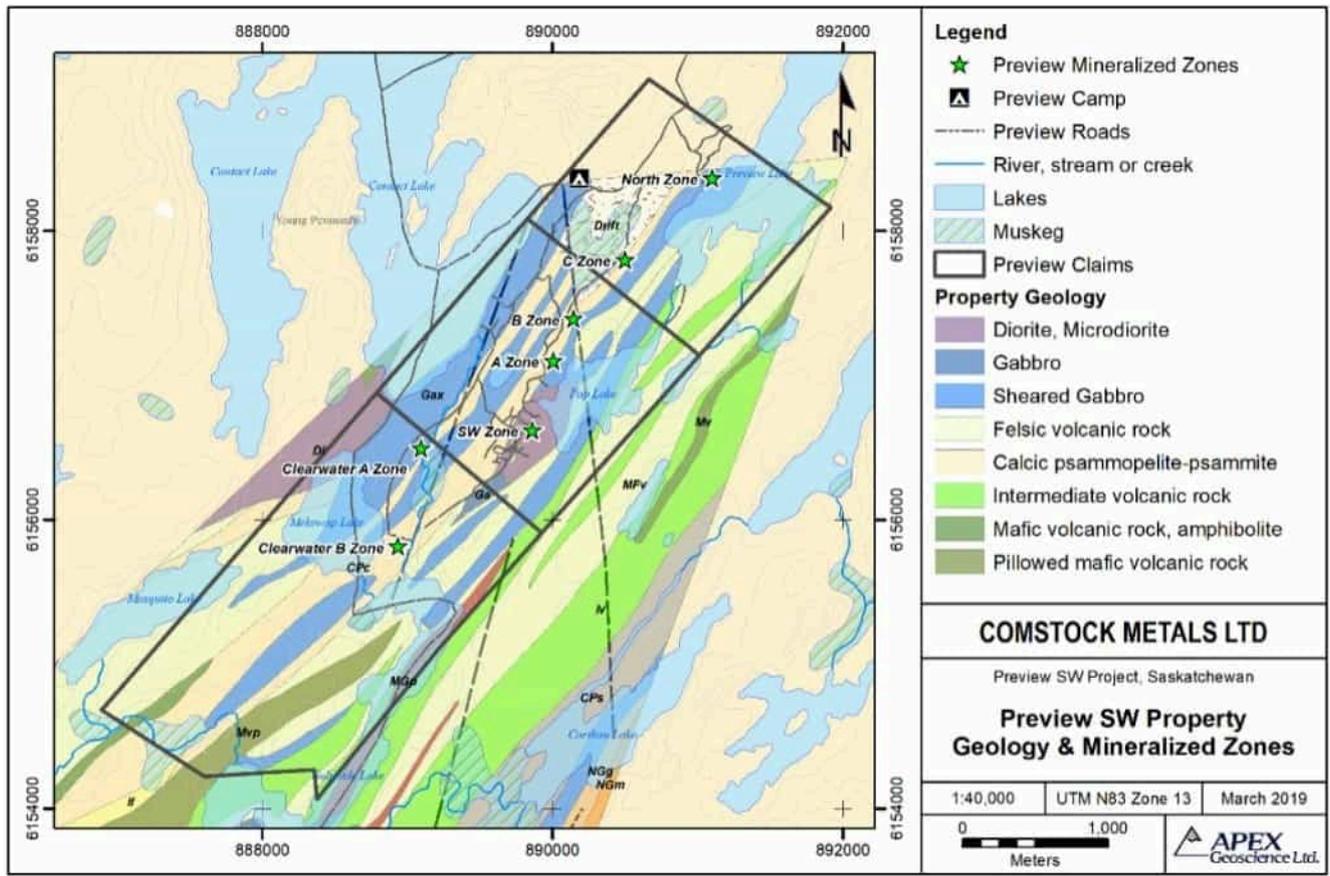


Figure 2: Comstock Metals Ltd. Preview SW Property Area Geology and Mineralized Zones (CNW Group/MAS Gold Corp)