O3 Mining Announces Sale Of Garrison Project

O3 Mining **O3 Mining Inc. (TSX.V: OIII)**

O3 Mining announced that it has entered into a definitive share purchase agreement with Moneta Porcupine Mines Inc. (TSX: ME), pursuant to which it has agreed to sell its wholly-owned subsidiary, Northern Gold Mining Inc. in exchange for 149,507,273 common shares of Moneta, representing 30.1% of the outstanding Moneta Shares.

Northern Gold owns 100% of the Golden Bear assets, including the Garrison gold project in the Kirkland Lake district of the Timmins gold mining camp in Ontario, Canada.

O3 Mining	TSX.V: OIII
Stage	Exploration
Metal	Gold
Market Cap	C$175 m @ $2.91
Location	Quebec + Ontario

Comment

A muted reaction from the market to this news from O3 Mining, which, prima facie, looks like an interesting deal in my opinion, to move the Kirkland Lake area assets to Moneta whilst still retaining an interest, and board representation.

The Ontario properties were stated to be non core by O3, so *this enables them to focus on their Quebec based projects near Val d'Or.*

O3 Mining Announces Sale Of Garrison Project and Partnership with Moneta Porcupine to Develop Timmins Gold Camp.

JANUARY 14, 2021

Toronto, January 14, 2021 – O3 Mining Inc. (TSX.V: OIII; OTCQX: OIIIF) ("O3 Mining" or the "Corporation") is pleased to announce that it has entered into a definitive share purchase agreement with Moneta Porcupine Mines Inc. (TSX: ME; OTC: MPUCF) ("**Moneta**"), pursuant to which it has agreed to sell its wholly-owned subsidiary, Northern Gold Mining Inc. ("**Northern Gold**"), in exchange for 149,507,273 common shares of Moneta ("**Moneta Shares**"), representing 30.1% of the outstanding Moneta Shares (the "**Transaction**").

Northern Gold owns 100% of the Golden Bear assets, including the Garrison gold project ("**Garrison Project**"), in the Kirkland Lake district of the Timmins gold mining camp in Ontario, Canada. Garrison is located adjacent to the Golden Highway Project where Moneta recently declared a mineral resource estimate of 2,144,200 ounces (oz) of indicated mineral resources and 3,335,300 oz of inferred mineral resources.

The strategic consolidation of the Garrison and Golden Highway Projects under Moneta will create a leading gold development company in the prolific Timmins gold mining camp, allowing for their more systematic exploration and combined development in partnership with O3 Mining. This divestiture is part of O3 Mining's broader corporate strategy to unlock value for its shareholders and maintain exposure to the development potential of the Garrison Project while allowing the Corporation to focus its resources on advancing its core assets. Its core assets are the Marban and Alpha gold properties situated in Québec, Canada, where it is currently working to expand its gold mineralization through an extensive 150,000-metre drilling campaign with 12 drilling rigs.

> *"O3 Mining is pleased to unlock value for our shareholders through our investment in, and ongoing support of, our new partner, Moneta.*
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> *This transaction will allow O3 Mining to partner in the future development of a large and long-life gold project situated in one of the world's most famous gold producing districts through the consolidation of these two projects and their respective land positions. We look forward to partnering with Moneta's management team, through our board representation and in our role as Moneta's largest shareholder, and being part of its growth story.*
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> *O3 Mining aims to be a supportive partner to Moneta as it advances the Garrison and Golden Highway Projects through the formation of a joint technical committee, board representation, and its ability to participate in future financings to maintain its pro-rata ownership position."*

José Vizquerra, President and CEO of O3 Mining

"The partnership with O3 Mining through the acquisition of the Golden Bear assets will transform Moneta into one of the largest gold development companies in North America with a significant resource and landholding in Canada's most prolific gold mining camp.

The Golden Bear assets, including the Garrison Gold deposits, are adjacent to our flagship Golden Highway project and provide significant synergies and multiple options for the development of our gold deposits. Moneta will hold approximately 4.0 million ounces of indicated gold resources and 4.4 million ounces of inferred gold resources including both high-grade bulk tonnage underground deposits and near-surface open pit resources, and access to the technical capabilities of O3 Mining team.

With the completion of a proposed concurrent equity financing, Moneta will be well funded to test the expansion potential of the integrated project. We are excited about this transaction; it provides excellent value for the shareholders of both companies."

Gary O'Connor, CEO of Moneta

Transaction Highlights

- Creation of a leading gold development company with 4.0 million ounces of gold (Au) in the indicated mineral resource category and 4.4 million ounces of Au in the inferred mineral resource category and mineral inventory expansion opportunities on the combined landholdings of over 20,000 hectares in the prolific Timmins gold mining camp in Ontario, Canada

- Partnership between O3 Mining and Moneta under an investor rights agreement and including the formation of a joint technical committee, the right of O3 to nominate two directors for election to the board of directors of Moneta, and the right to participate in future financings to maintain its *pro-rata* ownership position

- Unlocking substantial developmental and operating synergies by consolidating the Garrison and Golden Highway projects
  - Potential starter pit at Garrison with outcropping gold resources at higher grades and a lower strip ratio
  - The overall footprint of the facilities can be reduced as common buildings, process plant area, and tailings storage areas are combined

- Enhanced capital markets profile and value proposition platform for further district consolidation opportunities
- Creation of a district-scale mining company under Moneta with enhanced critical mass which can command greater financial support from institutions to facilitate the execution of its business plan.

Transaction Terms

The Transaction is subject to the approval of Moneta's shareholders at a special meeting expected to be held in April 2021. In addition, the Transaction is subject to the receipt of certain regulatory and stock exchange approvals and other customary closing conditions for a transaction of this nature. The Agreement includes, among other things, customary mutual non-solicitation provisions, a "fiduciary out" provision of Moneta, a right to match superior proposals by O3 Mining and a C$1.42 million termination fee payable by Moneta to O3 Mining under certain circumstances.

Concurrent with closing of the Transaction, O3 Mining and Moneta will enter into an investor rights agreement (the "**Investor Rights Agreement**") pursuant to which the board of directors of Moneta will be reconstituted to consist of eight individuals, with O3 Mining entitled to nominate two directors and one newly appointed independent director to be agreed upon by the parties. Additionally, for a period of two years, O3 Mining shall have the right to nominate two nominees for election as directors of Moneta and, thereafter, for so long as O3 Mining holds greater than (x) 25% of the issued and outstanding Moneta Shares, O3 Mining shall have the right to nominate two nominees for election as directors of Moneta, and (y) 10% of the issued and outstanding Moneta Shares, O3 Mining shall have the right to nominate one nominee for election as a director of Moneta. The Investor Rights Agreement includes, among other things, pre-emptive and top-up rights in favour of O3 Mining, a 24-month standstill provision in favour of Moneta, and certain other restrictions in respect of O3 Mining's dealings in Moneta Shares (including a prohibition from selling the Moneta Shares held by O3 Mining until December 31, 2022).

The directors of Moneta, collectively holding approximately 16.5% of the outstanding Moneta Shares, have entered into voting support agreements and have agreed to vote in favour of the Transaction, subject to certain exceptions. Moneta also intends to consolidate its share capital on a 6:1 basis, subject to the receipt of all necessary approvals, on closing of the Transaction.

For brevity, this release has been redacted, to read the full news release, please click HERE

Advisors

O3 Mining has engaged Sprott Capital Partners LP as its financial advisor and Bennett Jones LLP as its legal counsel. Moneta has engaged Maxit Capital LP as its financial advisor and Stikeman Elliott LLP as its legal counsel.

Conference call

Moneta's management will host a conference call to discuss the Garrison transaction on Thursday January 14, 2021 at 11:00 a.m. (Eastern time). O3 Mining's President and CEO, José Vizquerra, and Moneta's CEO, Gary O'Connor, will participate in this conference call.

Conference call number

Toll Free Dial-In Number: (833) 772-0367
International Dial-In Number: (343) 761-2596

About O3 Mining Inc.

O3 Mining, which forms part of the Osisko Group of companies, is a mine development and emerging consolidator of exploration properties in prospective gold camps in Canada – focused on projects in Québec and Ontario – with a goal of becoming a multi-million ounce, high-growth company.

O3 Mining is well-capitalized and holds a 100% interest in properties in Québec (133,557 hectares). O3 Mining controls 66,064 hectares in Val-d'Or and over 50 kilometres of strike length of the Cadillac-Larder Lake Fault. O3 Mining also has a portfolio of assets in the Chibougamau region of Québec.

About Moneta

Moneta's land package in the Timmins Gold Camp covers 12,742 hectares (ha) including six gold projects plus a joint venture with Kirkland Lake Gold Corporation (TSX: KL) covering 4,334 ha.

Moneta's flagship project, Golden Highway Gold Project is located 100 km east of Timmins and hosts a total indicated resource of 2,145,000 ounces gold contained within 55.3 Mt @ 1.21 g/t Au and a total of 3,337,000 ounces gold contained within 49.7 Mt @ 2.09 g/t Au in the inferred category at a 2.60 g/t Au at South West, 3.00 g/t Au cut-off for the other underground deposits and 0.30 g/t Au for the open pit deposits.

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Disclosure
The writer holds 03 Mining shares bought in the market at the prevailing price on the day of purchase.