i-80 Gold Acquires Paycore Minerals

i-80 GOLD CORP. (TSX:IAU)

Announced that they have entered into a definitive arrangement agreement with Paycore Minerals Inc. (TSX.V: CORE) whereby i-80 will acquire all of the outstanding common shares of Paycore pursuant to a statutory plan of arrangement.


i-80 Gold Ruby Hill Mine, Nevada, USA

I-80 Gold Corp.	TSX: IAU

Stage	**Development + Exploration**
Metals	**Gold + polymetallic**
Market cap	**C$764 million @ C$3.18**
Location	**Nevada, USA**

i-80 Gold Corp. Acquires Paycore Minerals to Expand Ruby Hill Project

Reno, Nevada, February 27, 2023 – **i-80 GOLD CORP. (TSX:IAU) (NYSE:IAUX)** **("i-80")** and **Paycore Minerals Inc. (TSXV:CORE)** **("Paycore")** are pleased to announce that the companies have entered into a definitive arrangement agreement (the "**Agreement**") whereby i-80 will acquire all of the outstanding common shares of Paycore (the "**Paycore Shares**") pursuant to a statutory plan of arrangement under the *Business Corporations Act* (Ontario) (the "**Transaction**").

Paycore owns the FAD Property that is host to the high-grade FAD deposit located immediately south of, and adjoining, i-80's 100%-owned Ruby Hill Property ("**Ruby Hill**" or the "**Property**") located in Eureka County, Nevada.

The Transaction will consolidate the northern portion of the Eureka District and is expected to strengthen i-80's dominant presence in the district by increasing the size of the land package at Ruby Hill by more than 34% to approximately 14,272 acres, providing i-80 enhanced exposure to one of the world's premier emerging Carbonate Replacement Deposit (“**CRD**”) districts.

Highlights of the Transaction include:

- Exchange ratio of 0.68 of an i-80 common share for each Paycore share held, representing a 36% premium for Paycore shareholders based on the 20-day volume-weighted average price for both Paycore and i-80 for the period ended on February 24, 2023 and a 26% premium based on the closing prices of both companies on February 24, 2023[1]
- Provides i-80 with an additional high-grade deposit along trend from mineralization being drilled on the Ruby Hill Property and in close proximity to the Ruby Hill processing infrastructure (3,540,173 t @ 5.14 g/t Au, 196.46 g/t Ag, 8.0% Zn, 3.8% Pb)[2]
- Consolidates the northern portion of the Eureka District and enhances the upside opportunity of i-80 post-Transaction
- Increase i80’s land position along the highly prospective Jackson-Holly fault corridor from 1.5km to 4.3km
- Unanimous board approval and support from Paycore’s largest shareholder, Waterton Nevada Splitter, LLC and Waterton Nevada Splitter II, LLC (“Waterton”), which holds approximately 25% of the outstanding Shares of Paycore.

Ewan Downie, CEO of i-80 Gold stated;

“The geological setting being defined in the Eureka District is truly the most unique I have witnessed in my career.

“In the immediate area surrounding the Archimedes pit, we have identified oxide gold, Carlin-type refractory gold, base metal skarn and polymetallic carbonate replacement mineralization. Older mineralizing events are often overprinted by Carlin-type mineralization resulting in precious metal rich deposits not found elsewhere in the Great Basin.

“We have intersected high-grade mineralization in every one of our targets tested in 2022, all of which remain wide open for expansion. The expanded property has the potential to host a world-class polymetallic deposit with enhanced potential for further discoveries.

Matthew Gollat, Executive Vice-President of i-80 Gold stated;

“The consolidation of the core part of the Ruby Hill district will allow i-80 to aggressively pursue the optimization of the company’s multi-year development plan – to create one of the largest U.S.-focused diversified mineral producers.

""Step-out drilling results from Paycore's 2022 drill program confirm the upside potential of what we believe to be one of Nevada's highest-grade undeveloped deposits that will benefit from the Ruby Hill processing infrastructure.

Christina McCarthy, President & CEO of Paycore Minerals stated;

"This Transaction not only provides Paycore shareholders with greater exposure to the Eureka District, but also to i-80's high-grade Granite Creek and Cove Projects, and its existing permitted infrastructure which includes an autoclave, while also delivering a significant premium and enhanced liquidity as i-80 shareholders."

James Gowans, Chairman of Paycore Minerals, states:

"The mineralization of these two properties is indicating a massive carbonate replacement system along the fault corridor between the two properties. The combination of i-80 and Paycore's deposits is shaping up to be among the highest-grade carbonate replacement deposits (CRD's) in the world."

Transaction Details

Pursuant to the Transaction, Paycore shareholders will receive 0.68 of an i-80 common share (each whole common share, an "**i-80 Share**") for each Paycore Share held (the "**Exchange Ratio**"), representing a premium of 36% based on the 20-day volume weighted average price of both Paycore and i-80 shares for the period ended February 24, 2023 and a 26% premium based on the closing prices of both companies on February 24, 2023[3].

Based on the Exchange Ratio, upon completion of the Transaction, existing i-80 shareholders will own approximately 90% and former Paycore shareholders will own approximately 10% of the combined company, on a fully diluted in-the-money basis.

The Agreement includes, among other things, customary representations, warranties and covenants, including a non-solicitation provision, a right to match superior proposals in favour of i-80, as well as a termination fee of approximately $3.3 million payable by Paycore under certain customary circumstances.

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

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Disclosure

The author holds shares in ***1-80 Gold***.

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