

SolidusGold Announces Non-Brokered Private Placement of Subscription Receipts and Updates to the Information Circular Dated May 13, 2022 for Proposed Reverse Takeover Transaction

Vancouver, British Columbia--(Newsfile Corp. - June 20, 2022) - SolidusGold Inc. (TSXV: SDC) ("**Solidus**" or the "**Company**") is announcing an update to its information circular dated May 13, 2022 (the "**Circular**") in connection with the proposed reverse takeover transaction (the "**Proposed Transaction**") with Valhalla Metals, Inc. ("**Valhalla**") for an upcoming meeting of the Company's shareholders to be held on June 21, 2022 (the "**Meeting**"). The Circular was filed on May 18, 2022 and can be found under the Company's SEDAR profile at www.sedar.com.

In the Circular, the Company disclosed that, by the closing date of the Proposed Transaction, it intended to complete a "best efforts" brokered private placement financing of subscription receipts ("**Subscription Receipts**") for gross proceeds of up to \$10,000,000 (the "**Brokered Subscription Receipt Placement**"). This will not be undertaken. Instead, the Company will be conducting a non-brokered private placement of a minimum of 4,000,000 Subscription Receipts at a price of \$0.50 per Subscription Receipt, on a post five-to-one consolidation basis, for minimum gross proceeds of up to \$2 million (the "**Non-Brokered Offering**"). The maximum number of Subscription Receipts to be offered will be for gross proceeds of \$10 million.

The Subscription Receipts will be offered for sale to qualified investors through a special purpose vehicle (the "**Finco**"), established for the purpose of completing the Non-Brokered Offering, on a private placement basis pursuant to available exemptions from the prospectus requirements of applicable securities laws. The Subscription Receipts are proposed to be exchanged, upon the satisfaction of certain conditions, for common shares of the Finco, which shares will then be exchanged for Subordinate Voting Shares (as defined herein) on a one-for-one basis.

The closing of the Non-Brokered Offering is expected to occur on or before July 31, 2022, and is subject to the completion of formal documentation and receipt of all applicable regulatory approvals, including the approval of the TSX Venture Exchange. The net proceeds from the Non-Brokered Offering will be used for exploration of the Company's assets in Alaska and for general corporate purposes.

The Non-Brokered Offering is being conducted in connection with the Proposed Transaction in accordance with the policies of the TSX Venture Exchange as set out in the definitive agreement entered into on February 7, 2022 (the "**Definitive Agreement**"). In connection with the Definitive Agreement and the Proposed Transaction, the Company will be required to, among other things: (i) complete a five-to-one consolidation of its outstanding common shares; (ii) re-designate its common shares as subordinate voting shares (the "**Subordinate Voting Shares**"); and (iii) create a new class of multiple voting shares (the "**Multiple Voting Shares**").

The Proposed Transaction is expected to close shortly following the Meeting and before July 31, 2022, with the Company changing its name to "Valhalla Metals, Inc." in connection therewith (the "**Resulting Issuer**").

As a result of the Non-Brokered Offering being completed instead of the Brokered Subscription Receipt Placement the estimated available funds available to the Resulting Issuer and principal purposes of such funds which were disclosed in the Circular are now as follows:

Funds Available

The following table sets out information respecting the Resulting Issuer's expected sources of cash following the completion of the Proposed Transaction. The amounts shown in the table are estimated only and are based upon the information available to the Company and Valhalla as of the date hereof:

Estimated Funds Available	Amount
Estimated consolidated working capital as at April 30, 2022	\$93,500
Net proceeds from sale of the Non-Brokered Offering	\$2,000,000 ⁽¹⁾
Net proceeds from the Concurrent Private Placement ⁽²⁾	\$8,000,000 ⁽³⁾
Total Estimated Available Funds	\$10,093,500

Notes:

1. Assuming the minimum amount of the Non-Brokered Offering only.
2. The private placement of Subordinate Voting Shares to be completed by the Company and Marubeni pursuant to the terms of the Investment Agreement (the "**Concurrent Private Placement**").
3. Pursuant to the Amendment to the Investment Agreement, Marubeni has agreed to purchase 19.9% of the Company's Subordinate Voting Shares, on an as converted basis, which represents gross proceeds of \$8,000,000 assuming that the Non-Brokered Offering is fully subscribed.

Principal Purposes of Funds

The following table sets out information respecting the Resulting Issuer's intended principal uses of funds for the 12 months following the completion of the Proposed Transaction. The intended use of funds may vary based upon a number of facts and variances may be material. The amounts shown in the table are estimates only and are based upon the information available to the Company and Valhalla as of the date hereof:

Use of Funds	Amount
Estimated Transaction Costs	\$293,500
Estimated general and administrative costs over the 12 months following the Closing Date ⁽¹⁾	\$1,246,000
Exploration Expenditures on the Sun Project ⁽²⁾	\$325,875
Exploration Expenditures on the Phase 2 Work Program	\$5,000,000
Exploration Expenditures on the Resulting Issuer's other mineral properties ⁽³⁾	\$50,000
Unallocated working capital ⁽⁴⁾	\$3,178,125
	<u>\$10,093,500</u>

Notes:

1. General and administrative costs for the next 12 months are expected to be comprised of professional fees of \$150,000, stock exchange fees, filing fees and transfer agent costs of \$75,000, insurance expenses of \$75,000, office rents of \$36,000, travel expenses of \$60,000, marketing and shareholder communication costs of \$100,000, consulting fees of \$100,000, executive management fees of \$500,000 and salaries and wages of \$100,000 (See Schedule I of the Circular "*Information Concerning the Resulting Issuer - Executive Compensation*"), and miscellaneous administrative and office costs of \$50,000.
2. USD \$250,000 (pursuant to the recommended exploration program under the technical report titled "Technical Report on the Sun Project, Brooks Range, Alaska, USA" dated May 13, 2022 with an effective date of December 7, 2021, prepared by Michael M. Gustin, C.P.G., of Mine Development Associates) converted into Canadian dollars on the basis of the exchange rate as quoted by the Bank of Canada on June 17, 2022, being USD \$1.00 = C\$1.3035 (C\$1.00 = USD \$0.7672).
3. Initial project review.
4. Unallocated funds will be added to the working capital of the Company and invested in short-term interest bearing obligations.

The above sources and uses of funds are estimates only. Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where a reallocation of funds may be

necessary. It is difficult at this time to definitively project the total funds necessary to execute the planned undertakings of the Resulting Issuer. For these reasons, management considers it to be in the best interests of the Resulting Issuer and its shareholders to permit a reasonable degree of flexibility as to how the Resulting Issuer's funds are employed among the above uses or for other purposes, as the need may arise.

Fully Diluted Pro Forma Share Capitalization

The following table sets out the expected fully diluted share capital of the Resulting Issuer after giving effect to the Proposed Transaction, the Concurrent Private Placement and the Non-Brokered Offering, and assuming the exercise or conversion of all Resulting Issuer warrants into Resulting Issuer Shares.

	Number of Subordinate Voting Shares⁽¹⁾	Percentage
Held by existing Company Shareholders	12,479,794	14.89%
Held by existing Valhalla Shareholders	49,999,885 ⁽²⁾	59.66%
Held by Marubeni Metals & Minerals (Canada) Inc.	16,000,000	19.09%
Held by subscribers in the Non-Brokered Offering	4,000,000 ⁽³⁾	4.77%
Issuable on exercise of Resulting Issuer Warrants	1,333,422	1.59%
Total	83,813,101	100%

Notes:

1. Subject to rounding as a result of the share exchange pursuant to the Merger and the conversion to Multiple Voting Shares.
2. Assumes conversion of the Multiple Voting Shares to Subordinate Voting Shares on the basis of one hundred (100) Subordinate Voting Shares for each one (1) Multiple Voting Share.
3. Assuming the minimum amount of the Non-Brokered Offering only.

The TSX Venture Exchange (the "**Exchange**") has NOT yet conditionally approved the Proposed Transaction or the listing of the Resulting Issuer's shares resulting therefrom. Acceptance of the Proposed Transaction by the Exchange will be subject to the Company fulfilling all of the requirements of the Exchange. There can be no assurances that the Exchange will approve the Proposed Transaction or the listing of the Resulting Issuer.

Trading Halt

The common shares of the Company continue to be halted from trading (the "**Trading Halt**"), and the trading of the Company shares is expected to remain halted pending completion of the Proposed Transaction.

This news release does not constitute an offer to sell and is not a solicitation of an offer to buy any securities in the United States. The Subscription Receipts, Finco common shares, Subordinate Voting Shares and Multiple Voting Shares 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 or to "U.S. persons" (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration.

Forward-Looking Statements:

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue",

"estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, this news release contains forward-looking information relating to the Non-Brokered Offering, the intended use of proceeds from the Non-Brokered Offering, the Resulting Issuer's expected sources of cash following the completion of the Proposed Transaction, the Resulting Issuer's intended principal uses of funds for the 12 months following the completion of the Proposed Transaction, the Meeting, the Trading Halt, and the Proposed Transaction (including obtaining necessary approvals). The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning the completion of the Proposed Transaction, the Non-Brokered Offering, including the use of proceeds from such investment, the sources of cash following completion of the Proposed Transaction and principal uses of funds for the 12 months following completion of the Proposed Transaction, the length of the Trading Halt, and the Meeting occurring on June 21, 2022. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based, are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Such factors which could materially affect such forward-looking information are described in the risk factors in the Company's Circular that is available on the Company's profile on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements included in this news release are expressly qualified by this cautionary statement. The forward-looking statements and information contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable, disinterested shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this news release.

For more information on the Company, please contact SolidusGold Inc.

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