



# Talisker Announces Strategic Investment by New Gold and up to \$19.1 Million Private Placement

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TORONTO, March 25, 2021 /CNW/ - Talisker Resources Ltd. ("**Talisker**" or the "**Company**") (TSX: TSK) (OTCQX: TSKFF) is pleased to announce that New Gold Inc. ("**New Gold**") (TSX: NGD) is expected to acquire a 14.9% interest in Talisker.

"As one of Canada's leading gold producers and with a prominent position in south-central BC, we are pleased to welcome New Gold as a strategic investor in our Company," commented Terry Harbort, Chief Executive Officer of Talisker who added, "New Gold is a natural regional partner for Talisker and their investment highlights the potential synergies for both companies and is a strong endorsement of our corporate strategy and the potential of Bralorne and our other greenfield projects. We are excited to embark on this relationship with New Gold."

The Company is also pleased to announce a non-brokered private placement to raise total gross proceeds of up to \$19.1 million (the "**Offering**"). The Offering will consist of up to 37,366,932 common shares of the Company, which qualify as "flow-through shares" within the meaning of the *Income Tax Act* (Canada) (the "**FT Shares**"), at a price of \$0.51 per FT Share.

## The Strategic Investment

Immediately following the completion of the Offering, it is expected that New Gold will acquire 37,366,932 common shares, which will provide New Gold with a 14.9% interest in the Company on a pro forma basis.

In anticipation of New Gold acquiring its interest, New Gold and Talisker have entered into an investor rights agreement (the "**Investor Rights Agreement**") which provides that the rights provided to New Gold shall become effective upon the date that New Gold has acquired a 14.9% interest in the Company (the "**Effective Date**").

Pursuant to the Investor Rights Agreement, during the period commencing on the Effective Date and ending on the date on which New Gold's ownership is less than 10% of the issued and outstanding common shares of Talisker, New Gold will have the right, among other things, to:

- Have a nominee appointed to the board of directors of Talisker (the "**Board**") and have such nominee nominated for election at the Company's meetings of shareholders. If the size of the Board is increased to eight or more members, New Gold shall be entitled to designate an additional nominee.
- Participate on a pro rata basis in equity financings by Talisker in order to maintain its 14.9% interest in Talisker. In addition, New Gold will have certain top-up rights that will allow it to maintain its interest in the event of other dilutive events undertaken by Talisker.
- Certain information and access rights to the Company's properties.

In return for these rights, New Gold has agreed to, among other things:

- For a period of 24 months, ensure it is present at shareholder meetings of the Company and, subject to certain exceptions, not vote against matters that have been unanimously approved by the Board.
- Certain restrictions on disposing its interest in Talisker.
- A 24-month standstill which will prohibit New Gold from taking certain actions, including acquiring more than 14.9% of the issued and outstanding common shares of Talisker, subject to certain exceptions.

## **The Offering**

The gross proceeds from the sale of FT Shares will be used by the Company to incur eligible "Canadian exploration expenses" that will qualify as "flow-through mining expenditures" as such terms are defined in the *Income Tax Act* (Canada) (the "**Qualifying Expenditures**") related to the Company's projects in Canada, including the Bralorne Gold Complex. All Qualifying Expenditures will be renounced in favour of the subscribers of the FT Shares effective December 31, 2021.

The Offering is expected to close on or about April 15, 2021. The Offering remains subject to the approval of the Toronto Stock Exchange. Any securities to be issued under the Offering will be subject to a hold period of four months and a day from the closing date of the Offering in accordance with the rules and policies of the Toronto Stock Exchange and applicable Canadian securities laws and such other further restrictions as may apply under foreign securities laws.

This news release does not constitute an offer to sell or a solicitation of an offer to sell 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 or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

## **Advisors and Counsel**

PI Financial Corp. is acting as advisor to Talisker in connection with the Investor Rights Agreement. Cassels Brock & Blackwell LLP is acting as Talisker's legal advisor and Fasken Martineau DuMoulin LLP is acting as New Gold's legal advisor.

## **About Talisker Resources Ltd.**

Talisker is a junior resource company involved in the exploration of gold projects in British Columbia, Canada. Talisker's projects include the Bralorne Gold Complex, an advanced stage project with significant exploration potential from a historical high-grade producing gold mine as well as its Spences Bridge Project where the Company holds ~85% of the emerging Spences Bridge Gold Belt and several other early-stage Greenfields projects. With its properties comprising 282,403 hectares over 258 claims, three leases and 198 crown grant claims, Talisker is a dominant exploration player in the south-central British Columbia. The Company is well funded to advance its aggressive systematic exploration program at its projects.

## **Caution Regarding Forward-Looking Information**


Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on Talisker's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to, among other things, effective time of the rights provided to New Gold

under the Investor Rights Agreement, the completion of New Gold's strategic investment; the completion of the Offering, the use of proceeds, the operations of the Company and the timing which could be affected by the current global COVID-19 pandemic. Those assumptions and factors are based on information currently available to Talisker. Although such statements are based on reasonable assumptions of Talisker's management, there can be no assurance that any conclusions or forecasts will prove to be accurate.

While Talisker considers these statements to be reasonable based on information currently available, they may prove to be incorrect. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include market risks and the demand for securities of the Company, risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to variations in grade or recovery rates, risks relating to changes in mineral prices and the worldwide demand for and supply of minerals, risks related to increased competition and current global financial conditions and the COVID-19 pandemic, access and supply risks, reliance on key personnel, operational risks, and regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing, capitalization and liquidity risks.

The forward-looking information contained in this news release is made as of the date hereof, and Talisker is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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