Vangold Mining Corp. PEA Outlines 7 Year Mine Life

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New Resource Est. of 7.2 M oz. Indicated and 20.4 M oz. Inferred AgEq

Further to the Company's proposed acquisition of the El Cubo mine and mill complex ("El Cubo") from Endeavour Silver Corp. ("Endeavour") announced December 18, 2020, Vangold Mining Corp. (the "Company" or "VanGold") (TSXV:VGLD) is pleased to announce positive results from its Preliminary Economic Assessment (the "PEA") for the combined El Cubo and El Pinguico project south of the city of Guanajuato, Mexico (together the "Combined Project"). Details of the PEA including the Company's maiden Mineral Resource estimate will be provided in a NI 43-101 technical report with an effective date of January 31, 2021 and an issue date of February 12, 2021(the "PEA Report") to be filed under the Company's profile on SEDAR within 45 days. The PEA Report is being prepared by Behre Dolbear & Company (USA), Inc., independent mineral industry advisors ("Behre" - see "About Behre Dolbear" below) with the assistance of other independent consultants.

James Anderson, Chairman and CEO said: "VanGold's management believes that our proposed acquisition of El Cubo will prove to be a remarkable catalyst of growth for the Company. Behre's PEA provides us with a high-level view of VanGold's plans to process material from both El Pinguico and El Cubo at a centrally located mill. This study is an important step in unlocking value for all stakeholders at our dual projects in Guanajuato."

Particulars:

All dollar ($) figures are presented in US dollars unless otherwise stated. Base Case metal prices used in the PEA are $1,527 per gold ("Au") ounce ("oz") and $19.49 per silver ("Ag") oz. These prices are based on long-term consensus average prices. A silver equivalent ("AgEq") price ratio of 1:80 (Au:Ag) applies throughout this news release to Mineral Resources and production.

Highlights:

- Mineral Resource Estimate

Total Indicated Mineral Resources for the Combined Project are 718,655 tonnes grading 160 gpt Ag and 1.90 gpt Au, or 306 gpt AgEq, which equates to 7.2 M oz AgEq using a conversion ratio of 1 oz of Au is equivalent to 80 oz of Ag.

Total Inferred Mineral Resources for the Combined Project are 1,453,000 tonnes grading 214 gpt Ag and 2.78 gpt Au, or 435 gpt AgEq, which equates to 20.4 M oz AgEq using a conversion ratio of 1 oz of Au is equivalent to 80 oz of Ag.

- 7 Year Economics - Behre prepared a discounted cash flow model for the Combined Project to determine the Net Present Value (NPV), Internal Rate of Return (IRR), Initial Capital and Sustaining Capital, and payback period. Cash flow estimates were prepared on an after-tax basis and in accordance with NI 43-101 Standards of Disclosure for PEA studies. The PEA considers a plan to ramp up to a 750 tonne-per-day ("tpd") operation, with an initial mine life of 7.0 years. On an after-tax basis, the Combined Project generates a Base Case NPV (5%) of $32.9 M and an IRR of 105%, excluding El Cubo acquisition costs. Using commodity prices of $22.41/oz Ag and $1756/oz Au, which are +15% above the Base Case (yet still lower than current spot prices), the after-tax NPV(5%) is $79.0 M and the IRR is 344%. Behre calculates a Base Case payback period of 1.87 years.

- Operating Costs - Dividing Behre's Total Operating Costs of $124.4 M by the life of mine ("LOM") AgEq oz of 13.2 M to be recovered from the Combined Project, gives VanGold an operating cost per AgEq ounce of $9.42 over seven years of production, positioning VanGold's operation to be attractive in nearly all commodity price scenarios.
- Opportunities to Grow and Optimize - Given that planning for the Combined Project has been advanced through the PEA stage within only a five (5) month period, numerous opportunities remain for growth and optimization. The most significant immediate opportunities are the potential to expand the Company's Mineral Resources - both at El Cubo and El Pinguico through exploration drilling and development, which is now ongoing at El Pinguico. Other noteworthy opportunities include optimization of the surface stockpile metallurgy and recoveries, which the Company remains confident can be improved during the mill's re-commissioning process.

Cautionary Statement:

The reader is advised that the PEA summarized in this news release is preliminary in nature and is intended to provide an initial, high-level review of the Combined Project's economic potential and design options. The PEA mine plan and economic model includes numerous assumptions and the use of mineral resources. Mineral resources that are not Mineral Reserves do not have demonstrated economic viability. Furthermore, there has been insufficient exploration to allow for the classification of the inferred mineral resources disclosed herein as an indicated or measured mineral resource, however, it is reasonably expected that the majority of the inferred mineral resources could be upgraded to indicated or measured mineral resources with continued exploration. There is no guarantee that any part of the mineral resources disclosed herein will be converted into a mineral reserve in the future or that the PEA will be realized.

Mineral Resource Estimate

The mineral resource estimate used as the basis for the PEA was derived from Endeavour's previous technical report for El Cubo titled "National Instrument 43-101 Technical Report: Updated Mineral Resource and Reserve Estimate for the El Cubo Project, Guanajuato, Mexico" dated March 3, 2017 and amended March 27, 2018 (effective December 31, 2016) by Hardrock Consulting LLC. and computer models developed by Endeavour and VanGold's previous technical report for El Pinguico titled "NI 43-101 Technical Report for El Pinguico Project, Guanajuato Mining District, Mexico", dated effective February 28, 2017 by Carlos Cham Dominguez, C.P.G., copies of which have been filed by Endeavour and VanGold, respectively, under their profiles on SEDAR. Behre has reviewed the information, estimation methods and the estimates in such reports and is of the opinion that the estimates are reasonable and can be utilized for the PEA, subject to certain adjustments including those summarized below.

El Cubo Resource Estimate

Endeavour's 2016 mineral reserves and resources estimate for El Cubo (the "2016 Estimate") was comprised of 37 individual models. These models were developed for each vein or area using two different estimation methods, either a traditional manual polygonal method referred to in the technical report as a Vertical Longitudinal Projection (VLP) or as a 2-dimensional (2D) polygonal method while the majority of the estimates were made using computerized 3-dimensional (3D) block models. Fifteen areas were estimated using manual techniques and 22 different block models were used for the computerized estimates. Based on long production experience and historic measurements, a density factor of 2.5 t/m^3 was used to convert volumes to tonnages. Behre considers this reasonable.

After subtracting Endeavour's total mine and mill production at El Cubo since January 1, 2017 of 1,278,038 tonnes from the 2016 Estimate, Behre estimates the remaining resources at El Cubo as follows, assuming Endeavour mined all proven and probable mineral reserves first and then the measured mineral resource followed by the indicated resource:

Table 14.5
Estimate of the Present El Cubo Mineral Resources as of 31 December 2020

Classification	Tonnes	Silver		Gold		Silver Eq
		g/t	oz	g/t	oz	g/t
Measured	None					
Indicated	508,055	194	3,169,000	2.44	39,860	389
Inferred	1,453,000	214	10,004,000	2.78	129,900	435

Notes:

1. Silver Equivalent calculated using 1 ounce of gold is equal to 80 ounces of silver, on the basis of the average 5-year historic silver and gold prices.

2. Numbers have been rounded.

El Pinguico Resource Estimate

There are two stockpiles at the El Pinguico mine that date back to 1913 when the mine shut down during the Mexican Revolution; a surface and an underground stockpile.

Surface Stockpile

VanGold's previous sampling of the surface stockpile including the digging of 10 pits by excavator and sampling near the top and near the bottom of the pits has been reviewed by Behre. From the sampling location map, the pits are scattered relatively evenly on the stockpile. Also, previous trenching and sampling by a private group was undertaken. Based upon the topographic survey and all the sampling data, VanGold estimates the surface stockpile contains approximately 175,000 tonnes to 185,000 tonnes with a silver grade of 67 g/t and a gold grade of 0.45 g/t. Behre has reviewed the work and is of the opinion that there has been sufficient work to classify this stockpile as an Indicated Mineral Resource.

Underground Stockpile

The underground stockpile at El Pinguico fills an old open stope area from Level 4 to Level 7 of the El Pinguico mine ranging from 25 m to 100 m thick and occupying portions of the stoped out El Pinguico vein. At present, only the surface of the stockpile can be sampled. VanGold dug and sampled 20 shallow trenches some 0.5 m to 1 m deep. Part of the dump surface has been contaminated by rock fall from the overlying waste rock adjacent to the Pinguico vein.

Based upon three sampling campaigns, VanGold estimated that the underground stockpile contains a silver grade of 167 g/t and a gold grade of 1.66 g/t. The work by VanGold in 2017 confirming the historic grade estimates are reasonable. Since only the upper 5 m of the stockpile has been sampled, Behre has less confidence in the material below the 2017 trenching. It is assumed that this stockpile is comprised of low-grade vein material from development drifts, but Behre cautions that it could also include barren waste rock from development drifts. Behre has reviewed the sampling work in 2017 and is of the opinion that the underground stockpile contains potentially economic material in the upper portion, which has been sampled using modern QA/QC controls.

Behre recommends accessing Level 7 and sampling the base of the stockpile via raises and draw points, which may increase the confidence in the entire stockpile grade. However, until that work is completed, Behre is of the opinion that only the top portion can be considered as Resources and would classify the 25,600 tonnes certified in 2012 by Servicio Geológical Mexicano (SGM) as an Indicated Mineral Resource. The remaining Mineral Resources in 2021 at El Pinguico are shown in Table 14.2 below.

Table 14.2
El Pinguico Mineral Resources as of 31 December 2020

Classification	Tonnes	Silver g/t	Silver oz	Gold g/t	Gold oz	Silver Eq g/t
Measured						
Indicated	0					
Surface Stockpile		67	398,500	0.45	2,680	103
Underground Stockpile	185,000	166	136,600	1.67	1,375	300
Total	25,600	79	535,100	0.60	4,055	127
	210,600					

Notes:

1. Silver Equivalent calculated using 1 ounce of gold is equal to 80 ounces of silver, on the basis of the average 5-year historic silver and gold prices.

2. Numbers have been rounded.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There has been insufficient exploration to allow for the classification of the inferred resources at El Cubo as an indicated or measured mineral resource, however, it is reasonably expected that the majority of the inferred mineral resources could be upgraded to indicated or measured mineral resources with continued exploration. There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future.

At present, there are no Mineral Reserves at El Cubo or El Pinguico.

Preliminary Economic Assessment

Behre prepared a discounted cash flow model for the Combined Project to determine the NPV, IRR, and payback period. The technical cash flow was prepared on an after-tax basis and was prepared in accordance with NI 43-101 Standards of Disclosure for PEA studies.

Note: The cash flow model includes Indicated Resources for the stockpiled material at El Pinguico and Indicated and Inferred Resources for El Cubo. Readers are cautioned that the PEA is preliminary in nature. It includes Inferred Mineral Resources considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty the PEA will be realized. Mineral Resources that are not Mineral Reserves have not demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, and other relevant issues.

Key parameters integral to Behre's preparation of the cash flow model and determination of the NPV include:

- All results are expressed in US Dollars (US$).
- The analysis is based on a 100% equity basis. Specific business considerations, such as debt or equity financing and detailed tax strategies, have purposely not been included or analyzed in detail.
- All cash flows are determined on an after-tax basis.
- Net Present Values (NPV) are determined, assuming end-of-year cash flows.
- All costs and revenues reflect "real" or constant 2021 dollars without escalation.
- The measures used in the PEA are metric except where, by convention, gold and silver content, production, and sales are stated in troy ounces.

The results of the preliminary economic assessment for the Combined Project are summarized in Table 22.1 below:

Table 22.1
Summary of Preliminary Economic Assessment for the Combined
El Pinguico and El Cubo Mines

Metal Prices[1]		
Silver	$US/oz Silver	19.49
Gold	$US/oz Gold	1,527.00
Net Present Value (5%)	$US million	32.9
Net Present Value (8%)	$US million	28.5
Internal Rate of Return	%	105
Net Smelter Return	$US million	221.0
Total Operating Costs	$US million	124.4
Other Costs and Depreciation	$US million	54.8
NPI Royalty	$US million	0.5
Taxes	$US million	12.5
Life of Mine Capital and Development Costs	$US million	69.4
Net Cash Flow	$US million	42.2
Payback Period	Years	1.87
Tonnes Processed	Mtonnes	1.78
Life of Mine Recovered Silver Equivalent[2]	Moz	13.21
Initial Capital and Development[3]	$US million	28.1
Sustaining Capital and Development	$US million	41.3
Total Capital and Development	$US million	69.4
Mine Life	Years	7

[1]Source: Consensus Economics, Inc.©, Energy & Metals Consensus Forecasts®, January 19, 2021.

[2]Silver Equivalents are based on a 1:80 gold:silver ratio as per the average 5-year historic silver price of $17.36/oz and gold price of $1,387/oz.

[3]Includes 15% contingency.

Cash flow model inputs reflected in the preliminary economic assessment include:

- Life of Mine and Production Forecasts. The cash flow model incorporates a 7-year operating and development period in which the El Pinguico stockpile material and the El Cubo Indicated Resources are scheduled to be recovered in Years 1 to 3. Inferred Resources are projected to be mined in Years 4 to 7. At steady state, the monthly targeted production rate is 22,500 tonnes per month for an annual total of 270,000 tonnes per year mined and processed.

- Commodity Prices and Net Smelter Return. Behre used silver and gold price projections compiled by Consensus Economics, Inc. in their January 2021 Energy and Metals Consensus Forecasts® survey. For the purpose of the PEA only, it is assumed that development will begin in April 2021 and production will be initiated in October 2021. The fiscal year in the cash flow model is modeled to begin on April 1. The Consensus Economics, Inc. price forecasts for Q4 2021 through 2025 have been used for Years 1 through 5, respectively, and the Consensus Economics, Inc. long-term price forecast has been used in Years 6 and 7. The resulting average silver price is US$19.49 and the average gold price is US$1,527.

The net smelter return (NSR) has been determined on the basis of refining and freight costs of $3.75 per ounce of silver and $138 per ounce of gold.

- Operating Costs. Mining, processing, and administration costs are based on the operating cost estimates summarized in Table 22.5 below.

Table 22.5
LOM Operating Cost Summary

Direct Unit Operating Costs	US$ millions	Unit Cost US$/tonne Total Mill Feed[1]
El Pinguico Stockpile Haulage	1.6	0.91
El Cubo Direct Mining and Haulage	73.8	41.55
Processing	25.4	14.29
General and Administrative	23.6	13.31
Total	124.4	70.06

[1]Combined mill feed from both El Pinguico and El Cubo.

- Development and Capital Costs. Development and capital costs associated with mine development and equipment and mill refurbishment are shown in Table 22.6 below (see also "Contractor Alternative" below).

Table 22.6
Initial and Sustaining Capital and Development Costs
(US$ Millions)

Cost	Initial	Sustaining Years 3-6[1]	Total
Direct Mine Equipment Costs	15.1	4.3	19.4
Direct Mill Capital Costs	Years 1-2	-	1.7
Mine Development	1.7	24.0	28.1
Definition Drilling	4.1	2.9	4.1
Exploration - Underground	1.2	2.5	3.5
Exploration - Surface	1.0	1.8	2.1
Tailings Storage and Dam Expansion	0.3	0.4	1.1
Reclamation	0.8	-	0.4
Total	0.4	35.9	60.4
15% Contingency	24.4	5.4	9.1
Total with Contingency	3.7	41.3	69.4
	28.1		

[1]Assumes no capital or development costs in Year 7.

- Royalties. VanGold holds an option to purchase three underlying royalties covering its El Pinguico project from Exploraciones Mineras Del Bajio S.A. de C.V. ("EMBSA") as more particularly described in the Company's news release of November 13, 2020. If VanGold exercises such option, EMBSA's sole remaining royalty at El Pinguico will be a 15% net profits interest over the existing surface and underground stockpiles.

- Other Costs and Taxes. Other costs include:

Mining Rights Tax..... 7.5% of EBITDA
Government Fee on Precious Metals..... 0.5% of silver gross revenues
Workers Profit Share..... 10% of pre-tax profits

These costs are based on the requirements of the Mexican government. Depreciation was determined on a straight-line basis for 8 years as per Mexican tax laws. The income tax rate is projected at 30% of operating profit (sales income or revenue less royalties, operating and other costs, and depreciation).

Sensitivity Analysis

To determine the effect of changes in several key base case assumptions, Behre prepared a sensitivity

analysis for each operating scenario/factor (i.e. commodity prices, operating costs, and capital costs) that could have a significant effect on the financial performance of the Combined Project. The following parameters were evaluated in the sensitivity analysis:

- Discount rates ranging from 0% to 10% were applied to determine the effect on NPV.
- Commodity prices generally have the greatest effect on mining project economics. The sensitivity to changes in commodity prices was determined on the basis of a constant gold-to-silver price ratio of 1:80, which is consistent with historical data.
- The cash variable operating costs were varied to determine the effect on NPV.
- Both the initial and sustaining capital costs were varied.

In each case, the particular parameter was changed for each year during the LOM review although, in reality, it is unlikely that each of the varied parameters would experience the same increases or decreases over the entire LOM. As such, the following sensitivity analyses present the best or the worst-case scenarios in the ranges evaluated and provide an indication of the relative effect that a specific operating parameter can have on the overall Combined Project economics.

Commodity Price and Cost Sensitivities

Tables 22.8 and 22.9 below illustrate the affect on Base Case cash flow resulting from variations in commodity prices and costs.

Table 22.8 Commodity Price Sensitivity - Base Case
Assuming a Constant Gold-to-Silver Price Ratio of 1:80

Change in Commodity Price (%)	Silver Price ($/oz)	Gold Price ($/oz)	IRR (%)	NPV5% (US$ millions)	NPV8% (US$ millions)
-25	14.62	1,169	N/A	-38.8	-35.5
-15	16.56	1,325	-25	-9.4	-9.2
-10	17.54	1,375	22	5.4	3.9
0	19.49	1,527	105	32.9	28.5
10	21.44	1,680	243	64.3	56.5
15	22.41	1,756	344	79.0	69.6
25	24.36	1,909	750	108.5	95.9

Table 22.9 Operating and Capital Cost Sensitivity - Base Case

Cost	Change in Cost (%)	IRR (%)	NPV5% (US$ millions)	NPV8% (US$ millions)
Operating	-25	250%	68.6	60.2
	0	105%	32.9	28.5
	25	-6%	-2.8	-3.3
Capital	-25	275%	50.1	44.1
	0	105%	32.9	28.5
	25	40%	15.7	12.8

Of the sensitivity factors reviewed, the Base Case cash flow was significantly affected by variations in the commodity prices. At a 25% increase in commodity prices, the resulting silver and gold prices are comparable to the average spot price in early January 2021 ($25.90/oz silver and $1,867/oz gold). At a 10% decrease in commodity prices, the project demonstrates a positive NPV(5), NPV(8), and an IRR of 22%. The silver and gold prices for this case are comparable to the 3-year historical average prices ($17.55/oz silver and $1,477/oz gold).

Based on the results of the sensitivity analysis, the average NPV(5) breakeven price is approximately $17.20/oz of silver and $1,376/oz of gold (assuming a constant gold-to-silver ratio of 80:1). There is minimal difference in the breakeven price at a 5% or 8% discount rate.

Contractor Alternative:

At VanGold's request, Behre has also prepared a preliminary assessment of an alternative to its Base Case initial capital and development costs for mine equipment in which both El Cubo and El Pinguico would be mined using a contract miner - readily available in Central Mexico. In this scenario, only surface facilities, including sub-stations, compressors, and fans would be constructed and all mine equipment and underground facilities would be furnished by a contractor. This alternative mode of operation would only be relevant to El Cubo as contractor services at El Pinguico are already part of the operating plan. The estimated mine capital cost for this alternative for the first year of operation is estimated at $3.0 million for the Combined Project at El Cubo and El Pinguico and $1.3 million for the increase in tonnage at El Cubo in the second year of operation. A comparative table of costs, cash flows, and values for the owner operated model vs. the contractor model is set out below:

Table 22.10
Comparison of Mine Owner Operated and Mining Contractor Alternative

		Mine Owner Operated	Mining Contractor Alternative
Silver Prices[1]	$US/oz Silver	19.49	19.49
Gold Prices[1]	$US/oz Gold	1,527.00	1,527.00
Net Present Value (5%)	$US million	32.9	22.4
Net Present Value (8%)	$US million	28.5	20.3
Total Operating Costs	$US million	124.4	140.2
Initial Capital and Development[2]	$US million	28.1	16.3
Sustaining Capital and Development[2]	$US million	41.3	49.3
Life of Mine Capital and Development Costs[2]	$US million	69.4	65.6
Net Cash Flow	$US million	42.2	27.0
Payback Period	$US million	1.87	1.06
	Years		

[1]Source: Consensus Economics, Inc.©, Energy & Metals Consensus Forecasts®, January 19, 2021

[2]Including 15% contingency

The advantage to the "contractor alternative" is the significant reduction in the initial capital and development costs (nearly $12 million); however, based on the single preliminary contractor quote received by Behre at the time of the PEA, the LOM operating and underground development costs are higher for this scenario than the base case. Additional quotations are needed to confirm operating costs. The resulting NPV(8) is lower than the base case at $20.3 million, but given the significant reduction in initial capital and development costs (~$12 million) use of a contract miner at El Cubo during the first few years of operation may be warranted while additional exploration work and definition drilling is completed at El Cubo and the El Pinguico underground stockpile. Conversion of inferred resources to measured and indicated resources and the identification of additional resources would increase the LOM, further justifying additional capital expenditures to move to an owner-operator scenario in later years.

Trading Halt:

The Company has submitted a draft of the PEA Report along with additional corporate and project budgeting information to the TSXV in connection with its proposed acquisition of El Cubo and looks forward to having its shares reinstated for trading shortly.

El Cubo Transaction:

The Company continues to work with Endeavour towards closing the Company's purchase of El Cubo in an expeditious manner. On December 18, 2020 the Company announced it had signed a binding letter agreement with Endeavour to acquire El Cubo. The El Cubo plant and tailings facilities are currently on short term care and maintenance and VanGold intends to re-start the mill at approximately 750 tonnes per day using resource material from its surface and underground stockpiles at El Pinguico as a significant portion of its estimated throughput for the first 36 months of operation.

About Behre Dolbear:

The PEA was prepared by independent mineral advisors Behre Dolbear & Company (USA) Inc., one of the oldest mineral industry advisory firms in the world, continuously operating since 1911. Behre specializes in performing impartial technical and strategic studies for mining companies, financial institutions, governments and international agencies. Typical studies include resource and reserve reviews, mineral property valuations, due diligence studies for bankability and acquisition purposes, and independent expert reports for capital raisings and valuations.

VanGold's El Pinguico Project:

El Pinguico is a high-grade gold and silver deposit that was mined from the early 1890s until 1913. Toward the end of that period it was mined exclusively by The Pinguico Mines Company of New York City, whose shares traded on the Boston and New York Stock Exchanges. The mining was done principally from the El Pinguico and El Carmen veins, which are thought to be splays off the Mother Vein, or 'Veta Madre'.

The Veta Madre is associated with a mega fault that outcrops for 25 kilometres and is the most important source of precious metal mineralization in the region. Current geologic interpretation, based on regional mapping and projections from the Veta Madre developed at adjacent historic mine operations, suggest that the Veta Madre vein system may cross VanGold's property at depth, underneath the high grade El Pinguico and El Carmen veins. Very limited drilling has been done on the property and no drilling has yet attempted to encounter the Veta Madre at depth. The intersection of these major vein structures are excellent exploration targets and may result in zones of significant size and grades.

Hernan Dorado Smith, a director of VanGold and a "qualified person" as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects, has approved the scientific and technical information contained in this news release.

About VanGold Mining Corp.

VanGold Mining is an exploration and development company engaged in reactivating high-grade past producing silver and gold mines near the city of Guanajuato, Mexico. The Company's El Pinguico project is a significant past producer of both silver and gold located just 7km south of the city. The Company remains focused on the near-term potential for development and monetization of its surface and underground stockpiles of mineralized material at El Pinguico, and in delineating silver and gold resources through underground and surface drilling on projects located in this historic mining camp.

ON BEHALF OF THE BOARD OF DIRECTORS
"James Anderson"
Chairman and CEO

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Continue to watch our progress at: www.vangoldmining.com

Neither the 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 release.

Forward-Looking Statements

This news release contains certain forward-looking statements, which relate to future events or future performance including, but not limited to, estimates of mineral resources; the opportunities for exploration, development and expansion of El Cubo and El Pinguico; estimates of capital expenditures and operating costs related to El Cubo and El Pinguico including the potential upfront capital and development cost savings

under the Contractor Alternative; future financial or operational performance, including the amount of future production at El Cubo and/or El Pinguico; the ability of the Company to successfully complete the Acquisition of El Cubo and refurbish the El Cubo mill on schedule or on budget, or at all, and the impact of such Combined Project on the Company, including with respect to future development and production; the Company's intention to improve on the base case, including the potential to add mine life by upgrading more of the existing inferred resource within El Cubo and discovering and defining further resources at both El Cubo and El Pinguico; the estimates of NPV and IRR for the Combined Project; life of mine projections for the Combined Project; the intention to prepare and file the PEA Report; the expenditures and success related to any future exploration or development programs, and the potential intersection at depth of the "Veta Madre" with the Company's El Pinguico vein.

Such forward-looking statements reflect management's current beliefs and are based on information currently available to and assumptions made by the Company; which assumptions, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include: our mineral resource estimates and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rock conforming to sampled results and metallurgical performance; tonnage of ore to be mined and processed; resource grades and recoveries; assumptions and discount rates being appropriately applied to the PEA; success of the Company's projects, including El Pinguico and the successful acquisition of El Cubo; prices for silver and gold remaining as estimated; currency exchange rates remaining as estimated; availability of funds for the Company's projects; capital, decommissioning and reclamation estimates; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions; no unplanned delays or interruptions in scheduled construction and production; all necessary permits, licenses and regulatory approvals are received in a timely manner; and the ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

Readers are cautioned that these forward-looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to, market conditions, availability of financing, currency rate fluctuations, actual results of exploration, development and production activities, unanticipated geological or structural formations and characteristics, environmental risks, future prices of gold, silver and other metals, operating risks, accidents, labor issues, delays in obtaining governmental or regulatory approvals and permits, inadequate insurance, and other risks in the mining industry. There are no assurances that VanGold will successfully complete the acquisition of El Cubo on the terms contemplated or at all or, if successful, that the Company will be able to re-start the El Cubo mill to process mineralized materials in the amounts and at the costs anticipated. In addition, there is uncertainty about the spread of COVID-19 and the impact it will have on the Company's operations, supply chains, ability to access El Pinguico and/or El Cubo or procure equipment, contractors and other personnel on a timely basis or at all and economic activity in general. All the forward-looking statements made in this news release are qualified by these cautionary statements and those in our continuous disclosure filings available on SEDAR at www.sedar.com. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required by law.

Cautionary Note for U.S. Investors regarding Reserve and Resource Estimates

Canadian public disclosure standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (the "SEC") set forth in Industry Guide 7 ("Industry Guide 7"), and information concerning mineralization, deposits, mineral reserve and resource information contained or referred to herein may not be comparable to similar information disclosed by U.S. companies in accordance with Industry Guide 7. In particular, but without limiting the generality of the foregoing, this news release uses the terms "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". U.S. investors are advised that, while such terms are recognized and required by Canadian securities laws, Industry Guide 7 does not recognize them. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of "inferred mineral resources" exist, are economically or legally mineable or will ever be upgraded to a higher category. Under Canadian securities laws, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian securities laws. However, Industry Guide 7 normally only permits issuers to report mineralization that does not constitute "reserves" by Industry Guide 7 standards as in place tonnage and grade, without reference to unit measures. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with Industry Guide 7.

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