

Kore Mining Announces Rights Offering And Stand-by Commitment

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Proceeds Provide Working Capital and Sustains Optionality for KORE's Gold Projects

VANCOUVER, Oct. 12, 2022 - [Kore Mining Ltd.](#) ("KORE Mining") announces that it will be conducting a rights offering of its common shares ("Common Shares") at the close of business on the record date of October 20, 2022 (the "Record Date"). The rights offering will be to raise gross proceeds of CDN\$864,970.01 from issuing up to 86,497,010 Common Shares (the "Rights Offering").

Shares pursuant to the Rights Offering are being issued at the minimum possible price (CDN\$0.01 per share), a steep discount from the current market price. Management does not consider it to be unfairly dilutive to shareholders however, as all shareholders can maintain their interest at low cost and can potentially increase their interest using the "Additional Subscription Privilege". The Rights Offering is designed to confer a benefit on shareholders willing to participate and, notwithstanding that several of KORE Mining's Directors have agreed to guarantee or "backstop" approximately 65% of Rights Offering, it is management's hope that shareholders choose to maintain and/or increase their interests, leading to a more incentivized and motivated shareholder base. The Rights Offering recapitalizes the Company and enables it to maintain its mining interests at a much reduced overhead (see June 17, 2022 press release) during challenging times in both the gold exploration sector and in the financial markets.

James Hynes, KORE's Executive Chairman and CEO commented, "Capital markets for small-cap gold equities have been very weak in 2022 and the Company has faced various operational challenges. The Board continues to believe in the value and potential of KORE's gold projects and is guaranteeing a rights offering that provides an opportunity for shareholders to increase their position at an attractive price."

Details of the Rights Offering

Rights will be offered on the basis of three quarters of one (3/4) right (the "Rights") for each Common Share held at the Record Date. One (1) Right will entitle the holder to subscribe for one Common Share upon payment of the subscription price of \$0.01 per Common Share.

The Rights will not be listed for trading on any securities exchange. All Rights will expire at 2:00 pm (Vancouver time) / 3:00 pm (Toronto time) on November 15, 2022 (the "Expiry Time"), after which time unexercised Rights will be void and of no value. Shareholders who fully exercise their Rights will be entitled to subscribe for additional Common Shares (the "Additional Subscription Privilege"), on a pro-rata basis, if available as a result of unexercised rights prior to the Expiry Time, subject to the limitations set out in KORE Mining's rights offering circular dated October 12, 2022 (the "Rights Offering Circular").

The Rights Offering will be conducted in all provinces and territories of Canada. Certain holders of Common Shares in the United States outside of Canada may be able to participate in the Rights Offering where they can establish that the transaction is exempt from applicable legislation. If you are a holder of Common Shares and reside outside of Canada, please review the Notice of Rights Offering, Rights Offering Circular and Notice to Ineligible Shareholders to determine your eligibility and the process and requirements to receive and, or, exercise your Rights. KORE Mining requests any ineligible shareholder interested in exercising their Rights to contact the Company at their earliest convenience after the Rights are mailed out, which is expected to be completed after October 25, 2022.

Details of the Rights Offering will be set out in the Notice of Rights Offering and the Rights Offering Circular which will be available under KORE Mining's profile at www.sedar.com and on the Company's website at www.koremining.com. The Notice of Rights Offering will be mailed to each eligible shareholder of KORE Mining as at the Record Date. Following the mailing of the Rights Offering, an exercise form enclosed with a statement issued under Computershare Investor Services Inc.'s direct registration system (the "Rights Statement") will be mailed to each eligible registered shareholder of KORE Mining as at the Record Date. Registered shareholders who wish to exercise their Rights must forward the completed Rights Statement, together with applicable funds, to the rights agent, Computershare Investor Services Inc., on or before the Expiry Time. Shareholders who hold their Common Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive the Rights Statement and instructions through their intermediary.

Neither the Rights being offered or the Common Shares issuable upon exercise of the Rights have been or will be registered under the United States Securities Act of 1933, as amended, and may not be exercised, offered or sold, as applicable, in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities of KORE Mining. There shall be no offer or sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification of such securities under the laws of any such jurisdiction.

KORE Mining's directors and executive officers who own Common Shares, as well as other insiders, are permitted, but not required except for KORE Directors James Hynes, Jay Sujir, Harry Pokrandt and Don MacDonald, pursuant to the Stand-By Agreement discussed below, to participate in the Rights Offering on the same terms and conditions applicable to all shareholders.

Stand-By Commitment

Several of KORE Mining's Directors have agreed to backstop up to \$557,896.83, or approximately 65%, of the proceeds to be raised pursuant to the Rights Offering by providing a stand-by commitment. KORE Mining has entered into stand-by agreements (the "Stand-by Agreement") with four directors (the "Stand-by Guarantors"), including a company owned and controlled by James Hynes, the Executive Chairman and CEO of KORE Mining.

Under its Stand-by Agreement, 1081646 B.C. Ltd. ("HynesCo"), a company owned and controlled by James Hynes, is guaranteeing the maximum allowable amount of the Rights Offering, being CDN\$357,896.83, before triggering the TSX Venture Exchange's costly and time consuming requirements for obtaining shareholder approval for the possible creation of a new holder of 20% of KORE Mining's Common Shares.

In consideration for the stand-by commitment, the Stand-by Guarantors will receive 5-year warrants ("Warrants") to purchase 20% of the Common Shares the Stand-by Guarantors have agreed to acquire under the stand-by commitment, at an exercise price equal to \$0.105 per Common Share. In the event a Stand-by Guarantor holds 20% or more of the issued and outstanding KORE Shares following the completion of the Rights Offering, as a result of those KORE Shares acquired pursuant to their Stand-by Commitment, the Warrants issued to such Stand-by Guarantor will not be exercisable without KORE obtaining disinterested shareholder approval.

Pursuant to each Stand-by Agreement, the Stand-by Guarantors will exercise all of their respective Rights and will exercise each of their Basic Subscription Privilege and Additional Subscription Privilege so that the Stand-by Guarantors will collectively purchase up to approximately 65% of the Common Shares under the Rights Offering. Each Stand-by Agreement contains representations, warranties, covenants and other provisions typical of a transaction of this nature, including the right not to purchase Common Shares as contemplated by the Stand-by Agreement if there is a breach by KORE Mining of its representations or if there is a material adverse change in the business of KORE Mining.

Ineligible Holders

Shareholders who are resident in a jurisdiction outside of Canada (the "Ineligible Holders"), may be able to participate in the Rights Offering under certain exemptions. The Company will not issue or forward rights certificates to Ineligible Holders, however, a letter will be sent to them which will:

- describe the conditions that must be met, and the procedures that must be followed in order for an Ineligible Holder to participate in the Rights Offering; and
- Advise them that their Rights will be held by Computershare who will, prior to the Expiry Time, attempt to sell any rights of Ineligible Holders on such dates and at such prices as it determines in its sole discretion.

Ineligible Holders who wish to participate in the Rights Offering and are unsure of whether they meet the required exemptions are encouraged to contact the Computershare, the Company, or their own legal advisors directly.

Early Warning Disclosure

HynesCo, a Stand-by Guarantor, is providing the following additional information pursuant to the early warning requirements of applicable Canadian securities laws:

Prior to entering into the Stand-by Agreement, HynesCo beneficially owned 2,833,624 Common Shares representing approximately 2.46% of the issued and outstanding Common Shares on a non-diluted and partially diluted basis. Assuming the full utilization of the Stand-by Commitment provided by HynesCo to KORE Mining, HynesCo would acquire 35,789,683 Common Shares and 7,157,937 Warrants, resulting in an increase in HynesCo's shareholding percentage of approximately 16.11% on a non-diluted basis and 18.90% on a partially diluted basis, for total holdings of 18.56% on a non-diluted basis and 21.35% on a partially diluted basis.

The securities above are held by HynesCo for investment purposes. Mr. Hynes has a long-term view of the investment and may acquire additional securities of KORE Mining including on the open market or through private acquisitions or sell securities of KORE Mining including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other factors that Mr. Hynes considers relevant from time to time.

A copy of HynesCo's early warning report will appear on KORE Mining's profile on SEDAR and may also be obtained by contacting Mr. James Hynes at the number set out below.

About KORE Mining

KORE Mining is focused on responsibly creating value from its portfolio of gold assets in California, USA. The Company is advancing the Imperial project towards development while continuing to explore across both district-scale gold assets.

On behalf of KORE Mining Corp
"James Hynes"
Executive Chairman
(888) 407-5450

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.

Cautionary Statement Regarding Forward-Looking Information

This press release contains forward-looking information based on current expectations, including but not limited to KORE Mining's expectations in connection with the Rights Offering and Stand-by Agreements, including the use of proceeds and events which are proposed to occur on closing. Forward-looking information is often, but not always, identified by the use of the words "contemplate", "estimate", "expect" and "anticipate" and statements that an event or result "may", "will", "should", "could" or "might" occur and any similar expressions or negative variations thereof.

In providing forward-looking information in this press release, KORE Mining has made numerous assumptions regarding the Rights Offering and Stand-by Agreements, which KORE Mining believes to be reasonable, including assumptions relating to: (i) the satisfaction or waiver of all conditions to the completion of the Rights Offering and the Stand-by Agreement; and (ii) the outcome of the Rights Offering and related transactions, including the expected use of proceeds. Forward-looking information entails various risks and uncertainties however that could cause actual results to differ materially from those reflected in the forward-looking information. Specific risks that could cause actual results to differ materially from those anticipated or disclosed in this press release include, but are not limited to: (i) the dilution that will be experienced by shareholders who do not exercise their Rights; (ii) failure to satisfy the conditions to complete the Rights Offering and the commitments, including failure to receive required approvals, including the occurrence of any event, change or other circumstance that could give rise to the termination of the Stand-by Agreements (iii) the delay of completion or failure to complete the Rights Offering for any other reason; (iv) no assurance as to the ability to trade of any Rights; (v) the exercise of the Rights of a shareholder being irrevocable; (vi) the exercise price may not indicate the value of the Common Shares; (vii) failure of a shareholder to properly subscribe for shares may result in a non-exercise; (viii) the use of funds may differ from that set out by KORE Mining; and * if the Rights Offering is terminated, shareholders will not receive any interest on funds forwarded with their subscriptions. In addition to the above summary, additional risks and uncertainties inherent to the Company and the Rights Offering are described in the "Risk Factors" section of the Rights Offering Circular dated October 12, 2022 available on www.sedar.com. Forward-looking information are not guarantees of future performance, and management's assumptions upon which such forward-looking information are based may prove to be incorrect.

Accordingly, there can be no assurance that actual events or results will be consistent with the forward-looking information disclosed herein. In light of the significant uncertainties inherent in forward-looking information, any such forward-looking information should not be regarded as representations by us that our objectives or plans relating to the rights offering or standby commitment or otherwise will be achieved. Investors are cautioned not to place undue reliance on any forward-looking information contained

herein and that such forward-looking information are provided solely for the purpose of providing information about our current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. In addition, forward-looking information relates to the date on which they are made.

KORE Mining disclaims any intention or obligation to update or revise any forward-looking information contained in this press release, whether as a result of new information, future events or otherwise, except to the extent required by law. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

SOURCE Kore Mining

Contact

on Imperial and KORE can be found on the Company's website at www.koremining.com or by contacting us as info@koremining.com or by telephone at (888) 407-5450.

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