

Black Springs Capital Inc.

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## **Black Springs Capital Announces Qualifying Transaction with Groupe Géomines Ressources**

**VANCOUVER, BRITISH COLOMBIA--(Marketwired - Dec. 9, 2016) -**

### **NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES**

Black Springs Capital Inc. (NEX:BSG.H) (the "**Corporation**" or "**BSC**") announced today that it entered into a letter of intent with Groupe Géomines Ressources Inc. ("**Géomines**") dated December 7, 2016 (the "**LOI**"), in respect of a transaction pursuant to which BSC will acquire all of the outstanding shares of Géomines (the "**Acquisition**"). Subject to TSX Venture Exchange's (the "**Exchange**") approval, upon completion of the Acquisition, the combined entity (the "**Resulting Issuer**") will continue to carry on the business of Géomines as currently constituted.

#### **Géomines**

Géomines is a privately owned junior mineral exploration company based in Québec and incorporated under the *Business Corporations Act* (Québec). Géomines has a portfolio of exploration properties located in the Province of Québec, comprised of WHN and Boisvert (the "**Géomines Properties**"), and entered into an agreement to acquire additional exploration properties, including the Anik property (the "**Géoméga Properties**" and together with the Géomines Properties, collectively the "**Properties**"), from Géoméga Ressources Inc. ("**Géoméga**"). It is a condition precedent of the Acquisition that Géomine concurrently completes the acquisition of the Géoméga Properties.

Independent geological reports of the material Properties prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects will be completed in conjunction with the QT.

#### **Black Springs Capital**

BSC is a "capital pool company" and intends for the Acquisition to constitute its "Qualifying Transaction" as such terms are defined in the policies of the Exchange. The Corporation is a "reporting issuer" in the Provinces of British Columbia and Alberta. It is currently contemplated that the Acquisition will occur via an amalgamation of BSC with Géomines. In connection with the closing of the Acquisition, BSC intends on obtaining shareholder approval for a continuance of BSC from the *Business Corporations Act* (British Columbia) to the laws of the *Business Corporations Act* (Québec) (the "**Continuance**"), completing a capital restructuring (the "**Capital Restructuring**") including the consolidation of its share capital on a basis of two (2) pre-consolidated shares (each a "**BSC PreShare**") for one (1) post-consolidated share (a "**BSC PostShares**"), and changing its name to Kintavar Exploration Inc. (the "**Name Change**"). Upon completion of the Capital Restructuring, the Corporation's 6,500,000 BSC PreShares currently outstanding and 400,000 options will be consolidated respectively into 3,250,000 BSC PostShares and 200,000 post consolidation options.

Under the terms of the Acquisition, current Géomines shareholders and Géoméga will receive a total of 28,571,429 BSC PostShares of the Resulting Issuer at a deemed price of \$0.14 (\$4,000,000), excluding any shares of Géomines issued as part of the Financing described further below. Géoméga intends to distribute to

its shareholders, after the closing of the QT, approximately 7,827,464 of the shares received from the sale of its non-REE assets and will hold approximately 19.9% of the resulting issuer.

A finder's fee (the "**Finder's Fee**") of 190,476 BSC PostShares shall be paid, subject to the approval of the Exchange, to each of Ansacha Capital Inc., Hexagon Ventures Inc. and Laurentian Bank Securities for being instrumental in introducing the parties.

## **FINANCING**

In connection with the Acquisition, and in order to have sufficient working capital to complete the Acquisition and execute the business plan thereafter, Géomines and BSC will complete financings (together, the "**Financing**") for aggregate gross proceeds of a minimum of \$1,500,000 (or such other minimum amount as may be required for the Resulting Issuer to satisfy the initial listing requirements of the Exchange) (the "**Minimum Financing**") and a maximum of \$3,100,000.

BSC will complete a bridge private placement financing of a minimum of \$75,000 and a maximum of \$100,000 (the "**Bridge Financing**"), of BSC PreShares at the subscription price of \$0.0525 per share. The closing of the Bridge Financing will not be conditional to the closing of the Acquisition.

Géomines and, or BSC, will complete a private placement financing of a minimum of \$1,400,000 and a maximum of \$3,000,000 in Géomines, and or BSC, (the "**Concurrent Financing**"), resulting in the issuance of a maximum of 21,428,572 BSC PostShares at a deemed price of \$0.14 per share (or \$0.18 per share issued on a flow-through basis) and 10,714,286 BSC PostShares purchase warrants at a minimum exercise price of \$0.18 for a period of 24 months. The closing of the Concurrent Financing completed in Géomines will not be conditional to the closing of the Acquisition.

The parties may pay finder's fees to arm's length parties for proceeds raised under the Concurrent Financing. These fees may be payable, at the discretion of the parties, in cash and/or in compensation warrant.

## **RESULTING ISSUER MANAGEMENT**

It is currently contemplated that on completion of the Acquisition, the directors and the officers of the Resulting Issuer will consist of the following persons and up to 3 additional directors and a Chief Financial Officer to be named by Géoméga prior to closing:

- Kiril Mugerma - President, Chief Executive Officer and Director;
- Alain Cayer, VP Exploration
- Maxime Lemieux, Director

The Acquisition will be carried out by parties dealing at arm's length to one another.

Sponsorship of the Qualifying Transaction is required by the Exchange unless an exemption from this requirement can be obtained in accordance with the policies of the Exchange. The Corporation intends to apply for an exemption to the sponsorship requirement. There is no assurance that an exemption from this requirement will be obtained.

The BSC PreShares are currently halted from trading, and the trading of the shares is expected to remain halted pending completion of the Acquisition.

Completion of the Acquisition is subject to a number of conditions including, but not limited to, completion of the Financing, completion of the Continuance, Capital Restructuring and Name Change, the satisfaction of the Corporation, Géomines and Géoméga in respect of the due diligence investigations to be undertaken by each party, the completion of a definitive agreement in respect of the Acquisition, closing conditions customary to

transactions of the nature of the Acquisition, approvals of all regulatory bodies having jurisdiction in connection with the Acquisition, Exchange acceptance and, if required by the Exchange policies, majority of the minority shareholder approval. Where applicable, the Acquisition cannot close until the required shareholder approvals are obtained and there can be no assurance that the Acquisition will be completed as proposed or at all. Upon completion of the Acquisition the Resulting Issuer intends to be listed as a Tier 2 "mining issuer" under the rules of the Exchange.

**If and when a definitive agreement between the Corporation and Géomines is executed, the Corporation will issue a subsequent press release in accordance with the policies of the Exchange containing the details of the definitive agreement and additional terms of the Acquisition including information relating to sponsorship, summary financial information in respect of Géomines, and to the extent not contained in this press release, additional information with respect to the Financing, history of Géomines and the proposed directors, officers, and insiders of the Resulting Issuer upon completion of the Acquisition.**

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

#### **About the GéoMégA properties**

The Anik property (approx. 8,500 hectares, 100% owned) is situated 40 km to the south-east of the town of Chapais and 55 km to the south of the town of Chibougamau, in Québec. Located in the Opawica-Guercheville deformation corridor, host to several gold mines and deposits. The eastern portion of the property is located less than 7 km from the Joe Mann mine and the Lac Meston and Phillibert deposits. The western portion of the property is located less than 10 km to the south of the Monster Lake and Fancamp gold projects. In addition, the main gold zones of the Nelligan property, a joint venture between Vanstar Ressources and IAMGOLD, are surrounded to the north, south and east by Anik property boundaries at a distance of less than 1,500 metres.

The Rivière-à-l'aigle property (approx. 9,000 hectares, 100% owned) is located in the Lake Windfall area, 55 km to the south of the town of Chapais and 100 km to the east of the town of Lebel-sur-Quévillon. The area has seen a significant increase in gold exploration over the last several years, primarily by Osisko Mining. The property is characterised by very strong geochemical gold anomalies coinciding with a network of faults and shear zones. The southern border of the property is in contact with the Urban Barry property of Osisko Mining.

Other properties in GéoMégA's portfolio (approx. 13,950 hectares, 100% owned) include Maryse, Lac Storm, 3G, Gaspard, Comptois and McDonald which are gold projects with targets based on lithological and geochemical anomalies.

Except for Lac Storm, all the properties are located within the northern portion of the geological Abitibi Subprovince, are road accessible and, benefit from other public infrastructure and access to skilled workforce. All the properties are free of royalties.

#### **About the Géomines properties**

The WHN (approx. 9,056 hectares, 100% owned) and Boisvert (approx. 9,309 hectares, 100% owned) properties are adjacent to each other and are located west of the Mitchinamecus reservoir, 100 km north of the town of Mont-Laurier. The properties cover an area of almost 200 square kilometres accessible by a network of logging and gravel roads. A hydro-electric power substation is located 14 km to the east of the properties.

The properties are located in the north-western portion of the central metasedimentary belt of the Grenville geological province. Many gold, copper and silver mineralized showings have been identified on the properties

to date, with many characteristics suggesting of Iron Oxide Copper Gold ore type deposit (IOCG). The mineralizing system appears to be a later stage event that has not been subject to the strong deformation forces arising from the Grenville orogeny. Multiple geophysical and geochemical surveys, conducted by Géomines and other companies, confirm the presence of multiple anomalies that have yet to be followed up on with field work. No drilling has been done on the WHN property and only one drilling campaign of 15 drill holes (386 m) was completed in 1971 by Noranda in one small sector of the Boisvert property.

Osisko Mining holds a 2% NSR on 39 claims and 1% NSR on 21 other claims of the Boisvert property. The royalty agreement, originally signed between Amixam and Niogold, will carry over with the property.

**About GéoMégA Ressources Inc.** (<http://www.geomega.ca>)

GéoMégA is a mineral exploration and evaluation company focused on the discovery and sustainable development of economic deposits of metals in Québec. GéoMégA is committed to meeting the Canadian mining industry standards and distinguishing itself with innovative engineering, stakeholders' engagement and dedication to local transformation benefits.

**About Groupe Ressources Géomines Inc.**

Géomines is a privately owned junior mineral exploration company based in Québec with a portfolio of exploration properties, comprised of WHN and Boisvert, both located in the Province of Québec.

**About Black Springs Capital Corp.**

Black Springs Capital Corp is a capital pool company. The Company is engaged in identification and evaluation of assets or business with a view of completing a qualifying transaction.

Alain Cayer, P. Geo., MSc., is the Qualified Person under NI 43-101 guidelines who supervised and approved the preparation of the technical information in this news release.

### ***Cautionary Statements***

*This news release contains "forward-looking information" within the meaning of applicable securities laws relating to the proposal to complete the Acquisition and associated transactions, including statements regarding the terms and conditions of the Acquisition, the Capital Restructuring, the Financing, and the use of proceeds of the Financing. The information about Géomines contained in the press release has not been independently verified by the Corporation. Although the Corporation believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Corporation can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks that the parties will not proceed with the Acquisition, the Capital Restructuring, the Financing and associated transactions, that the ultimate terms of the Acquisition, the Capital Restructuring, the Financing and associated transactions will differ from those that currently are contemplated, and that the Acquisition, the Capital Restructuring, the Financing and associated transactions will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities). The statements in this press release are made as of the date of this release. The Corporation undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of the Corporation, Géomines, their securities, or their respective financial or operating results or (as applicable).*

***The BSC PreShares have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable***

*exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

Neither the TSX Venture Exchange, Inc. nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) has in any way passed upon the merits of the Acquisition and associated transactions and neither of the foregoing entities has in any way approved or disapproved of the contents of this press release. Neither 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.

#### **Contact Information**

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