

# ESSEX MINERALS INC.

Vancouver, British Columbia

## ESSEX REACHES AGREEMENT TO ACQUIRE KNX RESOURCES LTD

**April 29, 2021 – Vancouver, British Columbia, Canada.** – Essex Minerals Inc. (the “Company” or “Essex”) (TSXV:ESX) (OTCQB:ESXMF) (Frankfurt:EWX1) is pleased to announce that further to its Australian gold earn-in joint venture it has reached agreement to acquire 100% of its joint venture partner KNX Resources Ltd (“KNX”).

### Highlights

- The Company has agreed to acquire all the issued and outstanding shares in KNX in exchange for the issuance of 5,000,000 ordinary shares in Essex to the shareholders of KNX (the “Purchase Shares”).
- The purchase of KNX (the “Purchase”) is deemed by management as the best way to acquire the balance of KNX’s interest in the Australian gold properties as it also gives Essex an Australian operating subsidiary with accumulated tax losses.
- The Purchase Shares will be issued to the KNX shareholders on the basis of one Essex share for approximately every 4.052 KNX shares.
- Completion of the acquisition will give Essex an 83% interest in the Cumberland and Compass Creek Projects and 100% of the Mt Turner Project through its 100% ownership of KNX.

Essex Minerals President and CEO Paul Loudon said: “The acquisition of KNX gives Essex shareholders significantly greater exposure to any discoveries made on these three large Australian gold and gold-silver exploration properties. The 2021 field season is now commencing, with drill programs being planned for all three properties over the next eight months.”

### Acquisition Terms

The Purchase is made pursuant to the KNX Joint Venture announced on May 1, 2020. Essex earned an initial 50% interest in KNX’s share of the three properties by spending AUD \$1,000,000 on exploration, which was announced on January 28, 2021. Essex then had the right to acquire the balance of KNX’s interest in the properties at independent valuation or earn an additional 25 per cent interest in Mt Turner and 20 per cent interest in Cumberland and Compass Creek by financing a further AUD \$3,000,000 on exploration.

The Purchase Shares will be subject to a statutory four month hold period and an additional voluntary escrow until October 24, 2021. The Purchase is subject to the approval of the TSX Venture Exchange.

The Purchase Shares will be issued cum entitlement to the proposed capital return by Essex of new shares in Optegra Capital Corp (“Optegra Entitlement Shares”). Optegra Capital Corp (“Optegra”) is a stream finance spin-out from Essex. Optegra plans to raise up to \$50 million to finance the initial streams, after which it will file a non-offering prospectus with the British Columbia Securities Commission and seek a new listing as a Tier 1 investment company on the TSX Venture Exchange as described in the Essex news release dated April 12, 2021.

If for any reason Optegra Capital Corp is not listed on the TSX Venture exchange or an equivalent or more senior recognized stock exchange by August 25, 2021 the Purchase Shares and the Optegra Entitlement Shares will be cancelled. In this event, Essex will submit a revised offer to KNX based on the market conditions prevailing at the time and the Parties will work in good faith to reach mutually satisfactory revised purchase terms.

If such revised purchase terms are not agreed by October 24, 2021, then it will be deemed that all offers by Essex to purchase KNX have been rejected and the provisions of the existing Heads of Agreement between the Parties shall apply.

Closing of the Acquisition into escrow subject to the listing of Optegra is scheduled to take place no later than May 31, 2021.

### **About KNX**

KNX is arm's length private Australian exploration company with 25 shareholders.

The Mt Turner Project, 15km northwest of the Georgetown, comprises a 48 sq km exploration permit granted to KNX Resources in 2019. A first phase drilling program is planned to test the width and plunge of gold and silver bearing shoots identified in the Drummer Fault target. In addition to drilling on the Drummer Fault, a detailed soil sampling program is planned on the Mt Turner porphyry copper-molybdenum target with a view to defining drill targets.

The Cumberland property comprises four granted exploration permits covering 250 sq km, 70 km northwest of the former 5 million-ounce Kidston gold mine. Hole 1 encountered 18.8 g/t gold and 160.6 g/t silver over 6.4m from 139.5m down hole (as announced in the Company's news release dated September 2, 2020), and 9 additional stratigraphic and follow-up drill holes over 6 km of structure encountered epithermal gold and silver grades of varying tenor within wide zones of hydrothermal alteration with late-stage carbonate (epithermal) overprint. The Cumberland work program will also include additional surface sampling on the numerous untested prospects on the property which are yet to be drill tested.

The Compass Creek property comprises two granted exploration permits covering 48 sq km in the Pine Creek goldfield, 28 km north of Kirkland Lake's 2.5Mtpa Union Reefs mill in the Northern Territory.

The property contains three drill ready targets within a major anticlinal structure displaying favourable stratigraphy cut by NNW faulting related to the Pine Creek Shear Zone – a major regional structure which has historically produced more than 5 million ounces of gold.

### **About Essex**

Essex Minerals is an exploration and development company focused on mineral exploration and development opportunities where it can adopt an option earn-in and joint venture model without the issuance of vendor shares. By identifying geological teams that have already expended the time and capital to assemble top quality, advanced projects, with a particular emphasis on gold projects in Tier 1 jurisdictions. Management's time is shared across several different projects, as the geological teams already in place manage the approved exploration and development programmes. This strategy has the potential to accelerate the growth in shareholder value for Essex by earning an interest in a range of projects of merit in a much shorter time frame than otherwise would be possible.

### **Qualified Person**

All of the scientific and technical information contained in this news release has been reviewed and/or prepared by Mr Lee K. Spencer, BSc (Hons), MSc, MAusIMM, a "Qualified Person" within the meaning of National Instrument 43-101 - Standards of Disclosure for Minerals Projects.

Paul Loudon  
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This news release contains "forward-looking statements" and "forward looking information" (as defined under applicable securities laws), based on management's best estimates, assumptions and current expectations. Such statements include but are not limited to, statements with respect to the plans for future exploration and development of the Company's projects and the acquisition of additional projects and statements with respect to the proposed spin-out of Optegra Capital Corp. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "expected", "budgeted", "forecasts", "anticipates", "plans", "anticipates", "believes", "intends", "estimates", "projects", "aims", "potential", "goal", "objective", "prospective", and similar expressions, or that events or conditions "will", "would", "may", "can", "could" or "should" occur. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those expressed or implied by such statements, including but not limited to: risks related to the Company's projects; risks related to the proposed spin-out of Optegra, risks related to international operations; risks related to general economic conditions, actual results of current exploration activities, unanticipated reclamation expenses; changes in project parameters as plans continue to be refined; fluctuations in prices of metals; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables, possible variations in resource estimates, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in the completion of exploration, development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements and forward looking information are made as of the date hereof and are qualified in their entirety by this cautionary statement. The Company disclaims any obligation to revise or update any such factors or to publicly announce the result of any revisions to any forward-looking statements or forward looking information contained herein to reflect future results, events or developments, except as require by law. Accordingly, readers should not place undue reliance on forward-looking statements and information. Please refer to the Company's most recent filings under its profile at [www.sedar.com](http://www.sedar.com) for further information respecting the risks affecting the Company and its business.