

## Early Warning Report Issued Pursuant to National Instrument 62-103 in Connection with the Closing of the Qualifying Transaction of XAU Resources Inc.

June 22, 2022

TORONTO, Ontario, June 22, 2022 (Newsfile Corp.) – Mr. Peter Hambro, a director of XAU Resources Inc. (the "**Company**") announces that he has filed an early warning report (the "**Early Warning Report**") under National Instrument 62-103 — *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* in connection with the closing of a qualifying transaction (the "**Qualifying Transaction**").

On June 20, 2022, the Corporation completed its Qualifying Transaction with North West Exploration Inc. As part of the Qualifying Transaction, the subscription receipts (the "**Subscription Receipts**") issued by the Corporation on March 7, 2022 pursuant to a non-brokered private placement (the "**Financing**"), were automatically converted, into common shares (the "**Shares**") of the Corporation.

In connection with the Financing, Mr. Hambro acquired 1,177,689 Subscription Receipts of the Issuer through Catopriam Ltd., for aggregate consideration of C\$294,422.25, and such 1,177,689 Subscription Receipts were converted into 1,177,689 Shares of the Corporation on June 20, 2022.

In connection with the closing of the Qualifying Transaction, the Corporation granted 60,000 stock options (the "**Options**") to Mr. Hambro. Each Option is exercisable to acquire one (1) common share of the Corporation at \$0.25 for a period of five (5) years from the date of the grant.

Prior to the completion of the Qualifying Transaction, Mr. Hambro owned directly or indirectly, and/or had control and direction over an aggregate of 1,332,000 Shares of the Company, representing 15.47% of outstanding Shares and 2,792,063 Shares representing 27.72% of the outstanding Shares on a partially diluted basis, assuming the exercise of 282,374 Options and conversion of the 1,177,689 Subscription Receipts granted to Mr. Hambro.

On June 20, 2022, the 1,177,689 Subscription Receipts were converted into 1,177,689 Shares of the Corporation and Mr. Hambro acquired 60,000 Options in connection with the closing of the Qualifying Transaction.

Immediately after the completion of the Qualifying Transaction, Mr. Hambro holds directly or indirectly, and/or has control and direction over an aggregate of 2,509,689 Shares of the Issuer, representing 19.90% of outstanding Shares and 2,852,063 Shares representing 22.02% of the outstanding Shares on a partially diluted basis, assuming the exercise of 342,374 Options granted to Mr. Hambro.

Mr. Hambro may acquire additional securities of the Company, dispose of some or all of the existing or additional securities he holds or will hold, or may continue to hold his current position, depending on market conditions and other relevant factors.

A copy of the Early Warning Report filed by Mr. Hambro will be available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### Contact Information

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