

Fusion Gold Ltd. Announces Definitive Agreement with Battery Mineral Resources Corp.

Vancouver, British Columbia--(Newsfile Corp. - December 24, 2019) - Fusion Gold Ltd. (TSXV: FML.P) ("**Fusion**" or the "**Company**"), is pleased to announce that further to its news release of December 9, 2019 it has entered into a definitive amalgamation agreement dated December 23, 2019 (the "**Definitive Agreement**") with Battery Mineral Resources Corp ("**New Battery**"), 1234525 B.C. Ltd., a newly incorporated wholly-owned subsidiary of Fusion ("**Fusion Subco**"), and Weston Energy LLC ("**Weston**").

As previously disclosed, Fusion is a "capital pool company" and it is intended that the Transaction, when completed, will constitute the "qualifying transaction" of Fusion for the purposes of Policy 2.4 - *Capital Pool Companies* of the TSX Venture Exchange (the "**TSXV**" or the "**Exchange**").

As also previously disclosed, the Definitive Agreement with New Battery follows the acquisition of the assets of Battery Mineral Resources Limited ("**Battery Limited**") by New Battery, upon Battery Limited commencing a voluntary administration process under the *Corporations Act, 2001* (Cth) (Australia) and resulting termination of a definitive agreement involving Fusion, Weston and Battery Limited in respect of a substantially similar transaction.

The Transaction

Pursuant to the Definitive Agreement, Fusion will acquire all of the issued and outstanding securities of New Battery, by way a three cornered amalgamation under the *British Columbia Business Corporations Act* pursuant to which New Battery and Fusion Subco will amalgamate, shareholders of New Battery will exchange their shares of New Battery for shares of Fusion on a one-for-one basis (on a post-Consolidation basis (as defined below)) and New Battery will become a wholly-owned subsidiary of Fusion (together with the related transactions and corporate procedures set out in the Definitive Agreement, the "**Transaction**").

In connection with the Transaction, Fusion intends to consolidate its common shares on a 2:1 basis (the "**Consolidation**"). In addition, on closing of the Transaction, Fusion will change its name to "Battery Mineral Resources Inc." or such other similar name as New Battery may direct and which is acceptable to the Exchange and other applicable regulatory authorities.

Fusion and New Battery anticipate that, on closing of the Transaction, the Resulting Issuer will meet the TSXV's initial listing requirements for a Tier 1 or Tier 2 mining issuer.

Fusion, after giving effect to the completion of the Transaction, is referred to in this News Release as the "**Resulting Issuer**".

From and upon completion of the Transaction, the Resulting Issuer will carry on the mineral exploration business to be conducted by New Battery (and previously conducted by Battery Limited).

The Definitive Agreement

The Definitive Agreement includes customary terms and conditions, including representations and warranties regarding the mineral properties, covenants, conditions, and other provisions consistent for a transaction of the nature of the Transaction including a covenant to use all commercially reasonable efforts to cause the transactions contemplated by the Share Purchase Agreements (as defined below) to be completed prior to or concurrently with closing of the Transaction. Each of Fusion, Weston and New Battery has agreed to not, directly or indirectly, make, solicit, initiate, discuss, entertain, encourage, promote or facilitate any alternative transactions or enter into any agreement, arrangement or understanding related to any proposal with respect to any alternative transaction.

Completion of the Transaction is subject to the satisfaction of certain conditions set forth in the Definitive Agreement, including but not limited to: (i) receipt of all requisite regulatory approvals, orders, notices and consents to implement the Transaction including those of the Exchange; (ii) no material change occurring to the business of any of the parties; (iii) completion of the Concurrent Financing (as defined below); (iv) approval, by special resolution, of the shareholders of New Battery (v) Fusion having effected the name change referred to above and the Consolidation; (vi) completion of satisfactory due diligence by Fusion within a 30 day period from the date of the Definitive Agreement (vii) the satisfaction of obligations under the Definitive Agreement relating to each of the parties; (viii) the delivery by each of the parties of customary closing documents; and (viii) completion of the Transaction on or before April 30, 2020.

Subject to satisfaction or waiver of the conditions to the Transaction, Fusion and New Battery anticipate that the Transaction will be completed on or before March 15, 2020.

Each of Fusion and New Battery will bear its own costs in respect of the proposed Transaction, except that New Battery will pay all regulatory fees including those related to sponsorship, if applicable.

In the event the Transaction is not consummated for any reason other than as a result of Fusion exercising its right to terminate the Definitive Agreement as a result of its due diligence review of New Battery, or the failure of Fusion to fulfil a material condition or obligation under the Definitive Agreement, New Battery has agreed to pay, or cause to be paid, to Fusion, C\$150,000, as an expense reimbursement. The obligations of New Battery in the Definitive Agreement are guaranteed by Weston.

Share Purchase Agreements

Concurrently with execution and delivery of the Definitive Agreement, Weston has entered into share purchase agreements (the "**Share Purchase Agreements**") with David DeWitt and January Vandale (together, the "**Fusion Vendors**"). Under the Share Purchase Agreements, Fusion Vendors agreed to sell and transfer to Weston, concurrently with the completion of the Transaction, an aggregate of 3,200,000 outstanding common shares of Fusion (prior to giving effect to the Consolidation) at a price of C\$0.08 per share. Those shares are currently held in escrow pursuant to an escrow agreement, dated June 19, 2018, among Fusion, the Fusion Vendors and Odyssey Trust Company of Canada as escrow agent.

Concurrent Financing

In connection with the Transaction, New Battery proposes to complete a "best efforts" private placement of: (i) flow-through common shares of New Battery at a price of not less than \$0.95 per share; and (ii) common shares of New Battery at a price of not less than \$0.65 per share, to raise aggregate gross proceeds of at least C\$5 million. Shares issued under the private placement which shall be immediately exchanged for one post-Consolidation common share of Fusion upon closing of the Transaction (together, the "**Concurrent Financing**").

Fusion and New Battery expect that the net proceeds of the Concurrent Financing will be used by the Resulting Issuer for continued mineral exploration activities across its mineral properties, including drilling and resource development and general operating expenses. Finders' fees or commissions in cash or securities may be paid in connection with the Concurrent Financing.

The Resulting Issuer

Pursuant to the Transaction, Fusion will issue to shareholders of New Battery (including those acquiring securities in the Concurrent Financing) up to an aggregate of 100 million common shares of Fusion. Upon completion of the Transaction, and after giving effect to the Consolidation, the Share Purchase Agreements, and the Concurrent Financing, there will be an aggregate of approximately 100 million common shares of the Resulting Issuer issued and outstanding and an additional 75,000 stock options and 100,000 common share purchase warrants (in each case on a post-Consolidation basis).

Certain of the Resulting Issuer shares issuable pursuant to the Transaction will be subject to the escrow requirements of the TSXV.

As previously stated, additional information concerning the Transaction, New Battery, Fusion, Weston and the Resulting Issuer is provided in its News Release of December 9, 2019 and will be provided in Fusion's Filing Statement to be filed in connection with the Transaction, which will be available under Fusion's SEDAR profile at www.sedar.com.

In accordance with the policies of the Exchange, the Fusion common shares are currently halted from trading and will remain so until such time as the Exchange determines, which, depending on the policies of the Exchange, may not occur until completion of the Transaction.

About New Battery

New Battery is a newly incorporated company existing under the laws of British Columbia for the purposes of acquiring the assets of Battery Limited upon Battery Limited initiating a voluntary administration process under the *Corporations Act, 2001* (Cth) (Australia).

As a newly incorporated entity with no operating history, there is no relevant financial information to be disclosed regarding New Battery at this time.

New Battery's principal property will be its Cobalt District Project, a significant aggregation of mineral exploration rights in Ontario and Québec comprising multiple target areas, with New Battery's focus being on the McAra and Gowganda prospects in Ontario, and the Fabré prospect in Québec. With historical exploration in the district having been primarily focused on silver, it is believed that the Cobalt District Project is underexplored for cobalt. New Battery intends to continue exploration and drilling activities at identified cobalt occurrences throughout the project area with the goal of defining additional mineral resources.

A technical report in respect of the Cobalt District Project will be filed in connection with the Transaction, which will include 2019 drilling results, and an update of the mineral resource estimate for the McAra prospect.

Transaction Negotiated at Arm's-Length

The Transaction will not constitute a Non-Arm's Length Qualifying Transaction (as such term is defined in the policies of the TSXV). No person who or which is a Non-Arm's Length Party of Fusion has any direct or indirect beneficial interest in New Battery or its assets (including the Cobalt District Project) prior to giving effect to the Transaction and no such persons are also insiders of New Battery. Similarly, there is no known relationship between or among any person who or which is a Non-Arm's Length Party of Fusion and any person who or which is a Non-Arm's Length Party to New Battery.

Sponsorship

Sponsorship of a "Qualifying Transaction" of a capital pool company is required by the TSXV unless exempt therefrom in accordance with the TSXV's policies or a waiver is obtained. In the absence of an available exemption from the sponsorship

requirements, Fusion intends to make an application to the TSXV for a waiver from sponsorship requirements. There is no assurance that if applied for, a waiver will be granted.

Cautionary Note

Neither the 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.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction 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.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

For further information, please contact:

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Forward Looking Information

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect Fusion's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information.

The forward-looking statements and information in this press release include information relating to the business plans of Fusion, NewBattery and the Resulting Issuer, Weston's intentions with respect to the Transaction, the completion of the Concurrent Financing the voting intentions of certain parties, and the Transaction (including TSXV approval and the closing of the Transaction).

Such forward-looking statements and information reflect the current view of Fusion and are based on certain assumptions that Fusion believes are reasonable. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information include, among others, the following risks:

- there is no assurance that the Concurrent Financing will be completed or as to the actual gross proceeds to be raised in connection with the Concurrent Financing;*
- there is no assurance that Fusion and NewBattery will obtain all requisite approvals for the Transaction, including the approval of the Battery shareholders or the approval TSXV for the Transaction (which may be conditional upon amendments to the terms of the Transaction);*
- following completion of the Transaction, the Resulting Issuer may require additional financing from time to time in order to continue its operations and such financing may not be available when needed or on terms and conditions acceptable to the Resulting Issuer;*
- new laws or regulations could adversely affect the Resulting Issuer's business and results of operations; and*
- the stock markets have experienced volatility that often has been unrelated to the performance of companies. These fluctuations may adversely affect the price of the Resulting Issuer's securities, regardless of its operating performance.*

When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Fusion has assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, Fusion cautions that the foregoing list of material factors is not exhaustive and is subject to change, and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

The forward-looking information contained in this press release represents the expectations of Fusion as of the date of this press release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward looking information and should not rely upon this information as of any other date. While Fusion may elect to, it does not

undertake to update this information at any particular time except as required in accordance with applicable laws.

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