



Anconia and Avalon Investment Holdings Announces Definitive Agreement and Closing of Financing

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TORONTO, Oct. 10, 2019 -- Anconia Resources Corp. (TSXV: ARA) ("**Anconia**" or the "**Company**") and Avalon Investment Holdings Ltd. ("**Avalon**") are pleased to announce the execution of a definitive amalgamation agreement dated October 9, 2019 (the "**Agreement**"). The proposed transaction contemplated by the Agreement (the "**Transaction**"), affirms Anconia's agreement to acquire all of the issued and outstanding securities of Avalon, by means of a three-cornered amalgamation between Anconia, Avalon, and a subsidiary to be incorporated under the Companies Act of Barbados which will be wholly owned by Anconia ("**Anconia Subco**"). The resulting entity from this completed Transaction (the "**Resulting Issuer**"), will continue domestic activities and precious metals exploration and development, focused primarily on the exploration of Avalon's Omai Gold Mine project in Guyana.

The Transaction constitutes a "reverse takeover" of Anconia under the policies of the TSX Venture Exchange (the "**Exchange**"), and its completion is subject to the approval of the Exchange and certain other conditions as described below. Anconia intends to apply to the Exchange to have the common shares of the Resulting Issuer listed and posted for trading on the Exchange. The Transaction is an arm's length transaction.

Completion of the Transaction is subject to certain conditions including the approval of shareholders of Anconia ("**Anconia Shareholders**"), and is expected to close no later than January 31, 2020. Matters to be approved by Anconia Shareholders will be described in further detail in a management information circular (the "**Circular**") of Anconia relating to an annual and special meeting of Anconia Shareholders expected to be held in December 2019.

Avalon is a privately held Barbados corporation, based in Christ Church, Barbados, with a wholly-owned operating subsidiary, Avalon Gold Exploration Inc. ("**Avalon Exploration**"), which is engaged in the acquisition, exploration and potential development of precious metal mineral properties in Guyana. Avalon was incorporated on February 22, 2018 and is currently operated by its President, Michael Smith, of Naples, Florida. There are no Control Persons of Avalon as defined in the *Securities Act* (Ontario). Avalon Exploration holds a 100% interest in a newly issued prospecting license in Guyana, which covers 4,590 acres of licensed area, including the site of the past producing Omai Gold Mine, and provides for an exclusive right to use certain existing infrastructure at the Omai Gold Mine for any future mining operations, subject to entering into specific lease agreements therefor. In addition, Avalon also holds an option to acquire a 100% interest in a prospecting license known as "Kaburi South", covering approximately 5,235 acres, located adjacent to Troy Resources Limited's Karouni mine in Guyana.

"This is the perfect time for our companies to join," said President of Avalon, Michael Smith. "This amalgamation, truly creates synergy for the re-development of the Omai Gold Mine by combining Avalon's well established local relationships and management infrastructure with Anconia's strong leadership, exploration and operations expertise".

"Merging our histories, technical expertise and resources, I believe we are well-equipped to deliver exceptional operations and exploration activities and consequently delivering significant shareholder value." said Chief Executive Officer of Anconia, Jason Brewster.

Financing Closing Date

Avalon and Anconia announced that Avalon would be raising funds by private placement in their joint press release on May 24, 2019. Avalon intends to close the said private placement financing on October 17, 2019, wherein all proceeds the financing are to be used towards developing Avalon's projects in Guyana.

The Transaction

Pursuant to the Transaction, Anconia will issue common shares ("**Anconia Shares**") to the holders of common shares in the capital of Avalon ("**Avalon Shares**") on the basis of one post-Consolidation (as defined below) Anconia Share for each one Avalon Share. Anconia and Avalon anticipate that approximately 108,000,000 million post-Consolidation Anconia Shares will be issued pursuant to the Transaction, based on the current capital structure of Avalon. In addition, all securities convertible into Avalon Shares that are outstanding and unexercised immediately prior to closing are to be exchanged for economically equivalent and otherwise substantially similar securities convertible into Anconia post-Consolidation Shares. Anconia, Avalon, and Anconia Subco will amalgamate to form the Resulting Issuer. The parties anticipate that, upon completion of the Transaction, the Avalon shareholders will hold approximately 108,000,000 Anconia post-Consolidation Shares, representing 93% of the issued and outstanding Anconia post-Consolidation Shares on an undiluted basis, and 139,069,900 Anconia post-Consolidation Shares, representing approximately 94% of the issued and outstanding Anconia post-Consolidation Shares on a fully diluted basis. The foregoing shareholdings contemplate the closing of Avalon's private placement financing on October 17, 2019.

The Transaction is subject to a number of terms and conditions, including, but not limited to, the approval of Anconia

Shareholders in connection with the Transaction, including the Consolidation; the completion of the Transaction on or before January 31, 2020 and the approval of the Exchange and other applicable regulatory authorities.

Trading in the Anconia Shares will remain halted pending the satisfaction of all applicable requirements of Policy 5.2 of the Exchange. There can be no assurance that trading of Anconia Shares will resume prior to the completion of the Transaction. Anconia will hold a meeting of its shareholders to vote on the Transaction and will require that a majority of the votes of its shareholders vote in favour of the Transaction in order to proceed with it. Further details concerning the Transaction (including additional financial information) and other matters will be announced if and when a definitive agreement is reached.

Name Change

Upon completion of the Transaction, Anconia will change its name to “Omai Gold Mines Corp.” or such other name as Avalon and Anconia may otherwise determine, and the parties anticipate that the Exchange will assign a new trading symbol for the Resulting Issuer.

Consolidation

The completion of the Transaction is subject to the prior completion by Anconia of a consolidation of its share capital on the basis of one post-consolidation common share for each 15 pre-consolidation common shares (the “**Consolidation**”).

Shareholder Meeting

Matters to be approved by Anconia’s shareholders in connection with the Transaction, including the proposed name change and Consolidation will be sought from Anconia’s shareholders at its annual and special meeting to be held on a date to be announced by Anconia and intended to be described in further detail in a management information circular relating to such meeting. Avalon has entered into voting agreements with holders of 24,131,452 Anconia Shares (or 20.5% of the current number of issued and outstanding Anconia Shares) to vote in favour of the Transaction.

Officers, Directors, and Insiders of the Resulting Issuer

The following individuals are proposed to be appointed or elected as directors of the Resulting Issuer:

Denis Clement – B.Comm., LL.B., LL.M., Director, Chairman and Interim Chief Executive Officer

Terry Lyons – MBA, ICD.D, Director

Three additional proposed directors of the Resulting Issuer will be named and announced at a later date.

In addition to Mr. Clement, the following individuals are proposed to be appointed as officers of the Resulting Issuer:

Jason Brewster – BA, MSc, VP Operations and Corporate Development

Dennis Lapoint – BA, M.Sc., Ph.D, Geologist, VP Exploration

Harvey McKenzie, CPA, Chief Financial Officer

Board of Advisors

The Resulting Issuer will have a board of advisors to assist its board of directors, initially comprised of the following individuals:

Nathan Tribble B.Sc. P.Geo.

Charles Gargano

John Reynolds

Anconia and Avalon will provide further details in respect of the proposed Transaction including a summary of financial information, contemplated financings, and additional nominees for management and the Board of Advisors of the Resulting Issuer, if and when a definitive agreement is reached. Trading in the Anconia Shares will remain halted pending the satisfaction of all applicable requirements of Policy 2.4 of the Exchange. There can be no assurance that trading of Anconia Shares will resume prior to the completion of the Transaction.

About Anconia

Anconia is a base and precious metals exploration and development company, with two exploration properties in Nunavut and Ontario, Canada. The Nunavut property consists of a group of claims covering approximately 32 square kilometers, which has two volcanogenic massive sulphide (VMS) base metal occurrences. Anconia drilled both of these occurrences and confirmed extensive base metal mineralization at both locations, which were named the Atlas and Zac showings. Anconia has one further option payment totaling \$50,000 remaining on the Nunavut property.

In Ontario, Anconia has the Grenfell property in the Kirkland Lake area, which consists of 16 patented claims and 2 staked claims. The Grenfell property hosts a gold occurrence that was subject to some surface and underground exploration work in the 1920’s approximately 4 kilometres west of the Macassa Mine along the trend of the main Kirkland Lake mineralization. The property is 100% owned by Anconia

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Additional Information:

Additional details about the Transaction and Avalon will be provided in the Circular.

Investors are cautioned that, except as disclosed in the 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.

Neither of the TSX-V nor its Regulation Services Provider has passed upon the merits of the Transaction or approved or disapproved the contents of this press release.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of TSX Venture Exchange) accepts responsibility for the adequacy of accuracy of this release.

Forward-Looking Information

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release. Completion of the proposed Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the proposed Transaction will be completed as proposed or at all.

Investors are cautioned that any information released or received with respect to the proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Anconia should be considered highly speculative.

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

All information contained in this news release with respect to Anconia and Avalon was supplied by the parties, respectively, for inclusion herein, and each such party has relied on the other party for any information concerning such party.

This news release contains forward-looking statements relating to the timing and completion of the proposed Transaction, the share capital of the Resulting Issuer, the future operations of Anconia, Avalon, and the Resulting Issuer, the proposed directors, officers and advisors of the Resulting Issuer and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the proposed Transaction and the future plans and objectives of Anconia, Avalon, and the Resulting Issuer are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Anconia's, Avalon's, and the Resulting Issuer's expectations include the failure to satisfy the conditions to completion of the proposed Transaction set forth above and other risks detailed from time to time in the filings made by Anconia, Avalon, and the Resulting Issuer with securities regulators.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Anconia, Avalon, and the Resulting Issuer. As a result, Anconia, Avalon, and the Resulting Issuer cannot guarantee that the proposed Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and Anconia, Avalon, and the Resulting Issuer will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.