

# CREST RESOURCES INC.

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## NEWS RELEASE

### CREST RESOURCES TO SELL 29.7% INTEREST IN DOG BAY MINERAL CLAIMS, IN THE EXPLOITS SUBZONE NEWFOUNDLAND

**Vancouver, B.C. – October 22, 2020** - Crest Resources Inc. (“Crest” or the “Company”) (CSE: CRES) is pleased to announce that it has entered into an agreement to sell its 29.7% interest in 1255919 B.C. Ltd. which holds title to the Dog Bay gold property (the “Property”) to Exploits Discovery Corp. (“Exploits”). 1255919 B.C. Ltd. controls a series of four claim blocks, totaling 769 claims and 192.5 square kilometres in area, located in Port Albert Peninsula, Dog Bay, Newfoundland. The Property covers rocks of the Exploits Subzone in Central Newfoundland and Labrador.

#### Transaction Highlights

- On close of the transaction, Crest will own 15,442,500 common shares of Exploits Discovery Corp., representing approximately 25.9% ownership of Exploits.
- Exploits consolidates control and exploration of the northern 21 km of the Appleton Fault.
- Solidifies Exploits Discovery Corp. as the premier explorer of the Exploits Subzone gold camp.

The Appleton fault has been the focus of a new discovery in the Exploits Gold Belt with last year’s Keats zone discovery and this month’s discovery of 41.2 g/t Au over 4.75m and 25.4 g/t Au over 5.15m at New Found Gold’s Lotto zone (NFG news release October 2, 2020) and advanced exploration work by Labrador Gold Corp. on its Kingsway project (Labrador Gold news release dated October 5, 2020).

Michael Collins, Chief Executive Officer of Crest, commented, “Exploits unified Appleton Zone projects cover 21 km strike length of the Appleton Fault with known high-grade gold occurrences. This transaction demonstrates Crest’s focus and ability to generate valuable projects, and to monetize them with excellent public market partners.”

The Dog Bay Gold Project can be accessed by travelling north on Highway 340 from Notre Dame Junction, where further access is gained by traveling inland on a network of well-maintained forest service roads. The project boundary is also situated 40 km northeast of the late-2019 New Found Gold Corp. gold discovery, which returned a diamond drill hole with 92.86 g/t Au over 19.0 metres near surface (see New Found Gold Corp. news dated January 28, 2020), and is underlain by the same fault zones and similar packages of siliciclastic rocks as the discovery host, as mapped by the Newfoundland and Labrador Geologic Survey.

#### Transaction Outline

The sale to Exploits will be completed pursuant to the terms of a share exchange agreement between Exploits Discovery Corp., 1255919 B.C. Ltd., and each of the shareholders of 1255919 B.C. Ltd. (collectively, the “Vendors”). In consideration for the acquisition of all of the outstanding share capital of 1255919 B.C. Ltd., Exploits Discovery Corp. will issue 6,200,000 common shares to the Vendors.

The Vendors include the Company, which is a control person of both 1255919 B.C. Ltd. and Exploits Discovery Corp. within the meaning of the Securities Act (British Columbia) and of which Michael Collins

is also a director and officer. The Company is considered a related party within the meaning of MI 61-101.

The Company will receive 1,840,000 common shares of Exploits in the transaction. The issuance of common shares is considered a related-party transaction within the meaning of MI 61-101. The Company relied upon the exemptions from the formal valuation and minority approval requirements in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of the issuance of shares, as neither the fair market value of, nor the fair market value of the consideration for 1255919 B.C. Ltd. in so far as it involves the Company, exceeds twenty-five percent of the market capitalization of Exploits.

### **Early Warning Disclosure**

In connection with the sale of its interest in 1255919 B.C. Ltd., Crest Resources will acquire ownership and control of 1,840,000 common shares of Exploits. Prior to the acquisition of the shares, Crest Resources had ownership and control of 13,602,500 common shares of Exploits representing approximately 25.4% of the then issued and outstanding common shares of Exploits. Following completion of the sale of 1255919 B.C. Ltd., Crest Resources will have ownership and control of 15,442,500 common shares of Exploits, representing approximately 25.9% of the then issued and outstanding common shares of Exploits based on 59,711,302 shares outstanding.

Crest Resources will acquire the additional common shares of Exploits as consideration for its interest in 1255919 B.C. Ltd. and for investment purposes. Crest Resources may, from time to time, acquire or dispose of additional securities of Exploits in the market, privately or otherwise. A copy of the early earning report to be filed by Crest Resources in connection with the acquisition of 1255919 B.C. Ltd. will be available under the profile for the Company on SEDAR ([www.sedar.com](http://www.sedar.com)) or upon written request to Crest Resources at Suite 1100, 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

Nicholas Rodway, P.Geo, is an officer of the Company, shareholder and qualified person as defined by National Instrument 43-101. Mr. Rodway supervised the preparation of the technical information in this news release.

### **About Crest Resources Inc.**

Crest Resources Inc. is a British Columbia company listed on the Canadian Securities Exchange under the symbol "CRES". The Company's principal business activity is the acquisition, exploration and evaluation of mineral property assets in Canada, Australia and Peru and the investment in mineral exploration companies and related mining technologies of merit. Crest is committed to creating significant shareholder value through advancing a high-quality blended portfolio of resource development and discrete technology plays that build on corporate knowledge and relationships and drive value outside of the mining cycle, as well as direct investment in undervalued exploration plays at an early stage.

### **FOR FURTHER INFORMATION CONTACT:**

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*Neither the Canadian Securities Exchange nor its Regulation Service Provider (as the term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this news release.*

**Forward-Looking Statements**

This news release contains certain forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward-looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to, market conditions, availability of financing, actual results of the Company's exploration and other activities, environmental risks, future metal prices, operating risks, accidents, labor issues, delays in obtaining governmental approvals and permits, and other risks in the mining industry. All the forward-looking statements made in this news release are qualified by these cautionary statements and those in our continuous disclosure filings available on SEDAR at [www.sedar.com](http://www.sedar.com). These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required by applicable law.