



## **PILAR GOLD INC. ANNOUNCES ACQUISITION OF THE PILAR GOLD MINE AND PRIVATE PLACEMENT FINANCING**

Calgary, Alberta – May 21, 2021. Pilar Gold Inc. (“Pilar Gold” or the “Company”) is pleased to announce that on April 16, 2021 the Company acquired the Pilar Gold Mine in Brazil from Equinox Gold Corp. for aggregate consideration of:

- US\$38 million in cash, payable as follows:
  - US\$10.5 million on closing, which has been paid;
  - US\$10 million payable on or before May 31, 2021; and
  - US\$17.5 million payable on or before July 31, 2021.
- A 9.9% equity interest in Pilar Gold Inc.; and
- A 1% net smelter returns royalty on production from the Pilar Gold Mine.

The Company is also pleased to announce that it successfully completed a private placement of 66,630,938 shares at an issue price of C\$0.25/share for gross proceeds of C\$16,630,938. The net proceeds from the private placement will be used as partial payment towards the acquisition of the Pilar Gold Mine, and for associated costs, and general working capital purposes.

Jeremy Gray, CEO of Pilar Gold Inc., commented: “We are privileged to acquire an asset of the calibre of the Pilar Gold Mine, which will be our foundation asset for the Company. The operation has an outstanding production history, high quality infrastructure and a substantial gold resource that we believe will support a long-mine life. We look forward to working with the Pilar Gold Mine’s existing team and investing in the operation to increase production and gold reserves. Pilar Gold is excited to use this acquisition to form the foundation for an aggressive regional growth strategy.”

In announcing the sale of the Pilar Gold Mine, Christian Milau, CEO of Equinox Gold, commented: “Equinox Gold has grown considerably over the last two years and the sale of the Pilar Gold Mine is a step toward optimizing our portfolio to focus on our larger production and development assets. With existing production and growth potential, the Pilar Gold Mine is an excellent foundation mine for an emerging gold company. We look forward to participating in the success of Pilar Gold Inc. as a supportive shareholder as they launch a new Brazil-focused gold producer.”

The Pilar Gold Mine is in the mining friendly state of *Goiás*, Brazil and enjoys paved access and nearby towns that accommodate the work force of approximate 750 employees and consultants. The Pilar Gold Mine is currently producing at an annualized rate of approximately 40,000 ounces Au per annum. The development and infrastructure include three underground mines, Pilar, Maria Lázara and Caiamar along with an open pit development opportunity at adjacent Tres Buraços. The backbone of the Pilar gold mine is an efficient 4,000 tonne per day mill with average gold recovery rates of approximately 92%.

The Company would like to thank Equinox Gold and its team for their cooperative nature through-out the acquisition process and look forward to their continued support as a shareholder.

### **About Pilar Gold Inc.**

Pilar Gold Inc. is a private Canadian company with plans to seek a public listing later this year. Listing of Pilar Gold Inc. is subject to the approval of the applicable stock exchange. There is no guarantee that Pilar Gold Inc. will receive approval for such listing.

## Pilar Gold Contacts

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## Cautionary Notes and Forward-looking Statements

This news release contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation and may include future-oriented financial information. Forward-looking statements and forward-looking information in this news release relate to, among other things: the anticipated future cash payments to complete the Pilar Gold Mine sale and from the net smelter returns royalty; the Equinox Gold Corp.'s equity ownership in Pilar Gold Inc.; the strategic vision for the Company and expectations regarding exploration potential, production capabilities, future financial or operating performance., including expectations for the Company's strategic vision and its ability to achieve its growth objectives; the ability of the Company to successfully list the company on a stock exchange. Forward-looking statements or information generally identified by the use of the words "continue", "plans", "opportunity", "will" and similar expressions and phrases or statements that certain actions, events or results "could", "would" or "should", or the negative connotation of such terms, are intended to identify forward-looking statements and information. Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, undue reliance should not be placed on forward-looking statements since the Company can give no assurance that such expectations will prove to be correct. The Company has based these forward-looking statements and information on the Company's current expectations and projections about future events and these assumptions include: prices for gold remaining as estimated; currency exchange rates remaining as estimated; the successful transition in the operation of the Pilar mine; the Company's ability to achieve its production, cost and development expectations; tonnage of ore to be mined and processed; ore grades and recoveries; availability of funds for the Company's future cash requirements; capital, decommissioning and reclamation estimates; Mineral Reserve and Mineral Resource estimates and the assumptions on which they are based; prices for energy inputs, labour, materials, supplies and services; no labour-related disruptions and no unplanned delays or interruptions in scheduled development and production, including by blockade; all necessary permits, licenses and regulatory approvals are received in a timely manner; the Company's ability to comply with environmental, health and safety laws; the strategic vision and expectations for the Company. While the Company considers these assumptions to be reasonable based on information currently available, they may prove to be incorrect. Accordingly, readers are cautioned not to put undue reliance on the forward-looking statements or information contained in this news release.

The Company cautions that forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements and information contained in this news release and the Company has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: fluctuations in gold prices; fluctuations in prices for energy inputs, labour, materials, supplies and services; fluctuations in currency markets; operational risks and hazards inherent with the business of mining (including environmental accidents and hazards, industrial accidents, equipment breakdown, unusual or unexpected geological or structural formations, cave-ins, flooding and severe weather); inadequate insurance, or inability to obtain insurance to cover these risks and hazards; employee relations; relationships with, and claims by, local communities and indigenous populations; the Company's ability to obtain all necessary permits, licenses and regulatory approvals in a timely manner or at all; changes in laws, regulations and government practices, including environmental, export and import laws and regulations; legal restrictions relating to mining including those imposed in connection with COVID-19; risks relating to expropriation; increased competition in the mining industry. Forward-looking statements and information are designed to help readers understand management's views as of that time with respect to future events and speak only as of the date they are made. Except as required by

applicable law, the Company assumes no obligation to publicly announce the results of any change to any forward-looking statement or information contained or incorporated by reference to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements and information. If the Company updates any one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements. All forward-looking statements and information contained in this news release are expressly qualified in their entirety by this cautionary statement.