

Boroo Pte. Ltd Completes the Acquisition of a 100% Interest in Lagunas Norte Mine in Peru

TORONTO – June 1, 2021 – Boroo Pte. Ltd (“Boroo” or the “Company”) is pleased to announce that it has completed the previously announced acquisition of a 100% interest in the Lagunas Norte mine in Peru (“Lagunas Norte”) from Barrick Gold Corporation (“Barrick”).

Lagunas Norte is a hard rock open-pit mine located 140km east of Trujillo, Peru in the Peruvian Andes, in the Alto Chicama mining district. Under Barrick’s ownership the mine has produced over 10 million ounces of gold since 2005. While mining operations were placed on care and maintenance in 2019, Lagunas Norte’s gold recovery plant has continued to produce gold from leach pad ore and Boroo expects to recover approximately in excess of 100koz of gold inventory by 2023.

Boroo intends to commit significant energy and resources to developing operations to achieve growth objectives at Lagunas Norte with the support of its experienced management team and significant existing infrastructure. The next phase of the mine will be to recover gold from carbonaceous oxide ore through the Carbonaceous Material Oxides Project (“CMOP”) and sulphide ore through the Refractory Material Project (“PMR”). The development of a sulphide processing infrastructure offers the ability to unlock district potential.

Transaction Highlights

- **Acquisition of a large scale, high-grade gold mining operation in Peru with significant growth potential:** Lagunas Norte, with the support of world class infrastructure, has produced over 10Moz of gold since 2005 and offers significant growth potential with resources of approximately **4.3Moz Au from 60Mt @ 2.3g/t Au** and the opportunity to unlock district potential with the development of sulphide processing capabilities. Exploration initiatives have identified **12 near-mine targets with potential of up to 8Moz Au** under various stages of advancement.
- **Enhances Boroo’s current high-quality producing platform with a balanced geopolitical profile:** Lagunas Norte adds a South American cornerstone asset that will significantly increase Boroo’s production, reserves and resources, and cash flow. With Boroo’s existing assets in Central Asia and Lagunas Norte, the combined company will have a high quality diversified producing platform with a balanced geopolitical risk profile.
- **Near-term leaching potential from oxide ore offers cash flow to support growth initiatives:** Current leaching in progress to recover over 100koz of gold inventory by 2023 with additional near-term potential oxide production from satellite deposits and identified exploration opportunities to leverage existing infrastructure.
- **Immediate low-cost development opportunity targeting the extraction of ounces from carbonaceous oxide ore located in stockpiles:** Supported by existing infrastructure, Boroo intends to develop a facility to process CMOP ore with the addition of, among other things, screening, milling and CIL tank leaching systems, to extract value from existing stockpiles containing approximately **1.2Moz Au from 17Mt @ 2.4 g/t Au** (measured & indicated).
- **Long-term development opportunity targeting high sulphur content refractory ore below the oxide zone:** Boroo is actively evaluating further development opportunities to extract value from Lagunas Norte’s high-grade refractory ore, containing resources of approximately **2.4Moz Au from 25Mt @ 2.9 g/t Au** including, among other things, the construction of an autoclave for pressure oxidation. The PMR project would be expected to leverage existing infrastructure and the proposed CMOP infrastructure to minimize costs. Development of the PMR project could extend the Lagunas Norte LOM to 2045+ and would provide optionality to further unlock district potential.
- **Significant existing infrastructure to support operations and growth initiatives:** Lagunas Norte maintains all necessary infrastructure for a large open-pit operation including a Merrill Crowe plant, a CIC plant, 2 heap leach pads, primary and secondary crusher plants, water ponds and waste water treatment plants, year-round road access, power access, security systems, access to water, permanent camp facilities, offices and other typical mining related infrastructure (truck shop, warehouse, fuel storage and distribution facility, etc.).

- **Combined portfolio of strong near-term cash flow to support a pipeline of accretive investment opportunities:** Following the acquisition of Lagunas Norte, Boroo expects to produce over 100koz Au in 2021 growing to over **250koz Au per year by 2023**.

Committed in its goal to be a leader in responsible mining, Boroo is excited to continue Lagunas Norte's strong relationship with the local communities. Boroo looks forward to continuing Barrick's legacy of leveraging a highly experienced domestic workforce and investing in local education, environmental, economic development, infrastructure and other initiatives. Since 2014, 99% of employees at the Lagunas Norte mine have been Peruvian.

Lagunas Norte represents a transformative opportunity for Boroo in its mission to become a world class global mid-tier metals producer in the near-term. With a portfolio of long-lived, geographically diverse, assets in attractive mining jurisdictions, Boroo is well positioned to create value for its stakeholders while adhering to world class standards for environmental stewardship and community relations.

"We are delighted to successfully close our acquisition of the Lagunas Norte assets and adjacent exploration properties and would like to welcome all team members in Peru to our organization" said Dulguun Erdenebaatar, Boroo's Chief Executive Officer. "This is our second successful acquisition of an asset placed in care & maintenance from global senior and mid-tier precious metal producers since Boroo was established three years ago. The completion of this transformative acquisition positions Boroo to realize its strategic goal to become a global mid-tier precious metal producer within the next three years. We are thrilled to enter the world class Peruvian mining jurisdiction through the acquisition of an asset with a well-established infrastructure and world class safety culture and, most importantly, we are excited to work with the highly experienced team in Peru. With significant upside potential in our portfolio, Boroo's priorities are to efficiently unlock value from the advanced-stage CMOP development project, extend the life of the existing heap leach operation, pursue various optimization initiatives and advance near-mine exploration projects."

Total aggregate consideration for the transaction is up to US\$81 million plus the assumption by Boroo of Barrick's closure liability relating to Lagunas Norte of ~US\$226 million backed by an existing US\$173 million bonding obligation. The total aggregate consideration includes a 2% net smelter return royalty ("NSR") on gold and silver produced through PMR. A portion of the deferred consideration and the repurchase of the NSR may be satisfied on mutual agreement of the parties by the issuance to Barrick of Boroo common stock that is listed on a recognized stock exchange in the United States or Canada. Following the closing of the acquisition, Boroo intends to evaluate various strategic alternatives including, but not limited to, a potential "go-public" transaction, which may be accomplished through an initial public offering of its common stock, a reverse takeover transaction or other transaction structure.

The CMOP and PMR development opportunities are supported by a 2018 feasibility study and subsequent optimization studies commissioned by Barrick.

Lagunas Norte hosts a significant gold deposit with characteristics of a high sulfidation epithermal system located in northern Peru, within the metallogenic belt of high sulfidation deposits. Gold mineralization is associated with hydrothermal breccias, which are mineralized in their matrix with fine crystalline pyrite, enargite, covellite in addition to silica injection events. Gold is mostly found in pyrite, silica, and iron (Fe) oxides.

Cormark Securities Inc. acted as financial advisor to Boroo. Stikeman Elliott LLP, Ashurst LLP and Payet Rey, Cauvi, Pérez Abogados acted as legal counsel to Boroo.

TD Securities Inc. acted as financial advisor to Barrick. Lawson Lundell LLP and Rodrigo, Elias & Medrano Abogados acted as legal counsel to Barrick.

About Boroo

Boroo, formerly known as OZD ASIA PTE Ltd, is a privately-held investment holding company principally engaged in operating, developing and acquiring gold properties globally. Boroo owns and operates various production-stage and development-stage assets in Central Asia.

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