

# AINTREE RESOURCES INC

NR 17-5

## Aintree Announces Qualifying Transaction

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**VANCOUVER, BC – June 5, 2017** – Aintree Resources Inc. (**TSX-Venture: AIN.H**) (the “**Company**” or “**Aintree**”), a Capital Pool Company (“**CPC**”) listed on the NEX board of the TSX Venture Exchange (“**TSXV**”), is pleased to announce that it is making application to the TSXV to have its Tonopah Project (the “**Tonopah Project**”), located near Tonopah, Nevada, acquired from Midway Gold US Inc. (“**Midway**”) in March 2017, accepted as its listing property for a CPC qualifying transaction (“**QT**”).

Aintree acquired the Tonopah Project by assuming certain royalty and environmental obligations and by providing other valuable considerations including US\$25,000 in cash payments. On June 22, 2015, Midway filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Colorado (the “**Court**”). On March 22nd, 2017, the Court issued an order authorizing the sale of the Tonopah Project by Midway to Aintree free and clear of liens, claims and interests pursuant to applicable sections of the Bankruptcy Code. The transaction was closed on March 24, 2017, as required under the Bankruptcy Code. The Tonopah Project consists of 444 unpatented mineral claims, 185 of which are subject to a royalty interest.

Aintree also entered into a Royalty Deed Modification and Waiver of Claims Agreement with arm’s length parties, who are the underlying royalty holders on the Tonopah Project, to waive certain claims by the royalty holders against Midway, eliminate advance royalty payments, and restructuring an onerous sliding scale net smelter royalty (“**NSR**”) into a flat 2% NSR structure. In exchange, Aintree paid consideration of US\$50,000 and 1.50 million common shares of the Company (“**Shares**”).

### The Tonopah Project

The Tonopah Project is an advanced stage exploration/evaluation project located on the prolific Walker Lane Trend of Western Nevada. Historic drilling programs since 1980 on the Tonopah Project and project area by a number of companies have completed a total of 284,469 feet on drilling in 673 reverse circulation and core holes. Alteration and mineralization at the Tonopah Project are typical of low-sulfidation, volcanic-hosted epithermal gold deposits found elsewhere in Nevada and around the world. The deposit type is characterized by overall low original sulfide content, and quartz-adularia and clay-sericite alteration assemblages, among others. Similar deposits in Nevada have proven to be economic, including the Midas and Bullfrog deposits. A number of north-south oriented mineralized structural zones with quartz veining have been identified at the Tonopah Project Property along the north-northwest Walker Lane trend, covering an area 10,300 feet long and 1,500 feet wide. Vein structures and orientation are best defined in the Discovery Zone, at the center of the project site. A total of 9 mineralized zones have been broadly outlined. Higher grade gold mineralization appears to project along some of the veins/related structures in the Discovery Zone specifically in the Tombstone volcanics. Visible

gold is commonly observed in and along the edges of veins, is frequently associated with hematite, and occurs locally in coarse form. Dendritic gold has been observed in core.

In addition to the mineralized veins, there is a discontinuity at the top of the Palmetto formation, where tertiary volcanoclastics and ash fall tuffs (Tombstone Formation) unconformably overly the Palmetto argillite. Mineralization is localized within a low-angle zone which includes the erosion surface of the Palmetto, as well as certain facies in the Tombstone Formation, particularly where veins and mineralized structures intersect this contact zone. It is interpreted that ascending fluids entering the contact zone depositing precious metals in a favorable chemical and textural horizon in the base of the tertiary volcanics.

Two sets of historical resource estimates have been produced for the project, one focused on the low-angle lower-grade contact zone mineralization for the system, and the other focused on higher grades found within high angle veins and structural zones. An initial work program will include reconsideration of the Tonopah Project on the basis of the combined mineral systems. It appears that mineralization occurs primarily within a low-angle contact zone, with the highest grades localized around high angle vein and feeder structures that both cross and are comingled with the low-angle contact zones. The renegotiation of the underlying royalty agreement for the property (from a 7% royalty rate at gold prices in excess of \$700 to a 2% gold NSR) should allow for consideration of a much broader set of mining and processing scenarios and is a significant positive impact to the Tonopah Project.

The Tonopah Project is well situated and can be easily accessed by paved road 20 miles from the town of Tonopah, Nevada. Both water and power is available in close proximity to the site, although water rights will need to be acquired. Tonopah is located within four hours' drive of Las Vegas, Nevada and is close to Round Mountain, Nevada, where equipment supply depots, machine shops and skilled labor can be found. Aintree is in the process of assuming existing drilling permits and replacing reclamation bonds for the Tonopah Project.

## **The Technical Report**

A draft independent NI 43-101 Technical Report on Mineral Exploration Results for the Tonopah Project has been prepared by Gustavson Associates of Lakewood, Colorado (the "**Technical Report**"). As part of the CPC QT process, the draft Technical Report will be submitted to the TSXV for their review and approval. The Technical Report recommends a work program that includes the reconstruction of a digital database to include all available assay data, lithology, alteration and metadata about drilling, sampling and survey. Gustavson believes that sufficient historical exploration data, including data and geologic understanding subsequent to a 2011 Gustavson NI 43-101 technical report, exists to complete an updated resource estimate. (See: *NI 43-101 Technical Report on the Midway Project, Nye County, Nevada*, dated April 1, 2011; available under the SEDAR project of Midway Gold Corp.) The resource model is expected to focus on defining the relationship between high-angle, higher grade structures and lower-angle contact mineralization, and attempt to define the geostatistical relationships between these domains. This analysis should form the basis for an exploration plan aimed at targeting extensions to mineralization both along trend and to depth. The draft Technical Report also recommends a thorough review of existing metallurgical data be conducted as part of a scoping study which will define more detailed test work to fully characterize recoveries and processing costs based on the metallurgical review. The scoping study should be completed with the objective of defining resources for the project, and based on this resource model, as well as review of the available metallurgical data, to consider all available mining and processing scenarios.

Technical information in this release has been reviewed and approved by Mr. Donald E. Hulse (P.E.), Principal Mining Engineer of Gustavson, and a "qualified person" as that term is defined in NI 43-101. Mr. Hulse was one of four authors of the 2011 technical report on the Tonopah Project.

### **Private Placement Financing**

As part of its CPC QT Aintree intends to complete a non-brokered private placement of up to 4,000,000 Shares at a price of \$0.25 per Share for gross proceeds of up to \$1,000,000 (the "**Offering**"). Finder's fees, if applicable, will be payable in accordance with TSXV policies. Closing of the Offering is subject to receipt of all necessary corporate and regulatory approvals, including the TSXV's acceptance of the Aintree CPC QT. All securities issued in connection with the Offering will be subject to a hold period of four months plus a day from the date of issuance. The proceeds of the Offering will be used to settle Company debts and ordinary course payables, fund bonding obligations, consulting fees and expenditures, including additional technical study and drilling, arising in connection with the Tonopah Project, and for general working capital purposes.

### **Management Services Agreement**

The Company has entered into a Consulting Service Agreement, dated for reference April 10, 2017, (the "**Services Agreement**") with Kalex LLC (the "**Consultant**") and James B. Hesketh ("**Hesketh**") pursuant to which the Consultant will provide business services to the Company through Hesketh, including having Hesketh serve in the roles of Chief Executive Officer and President of the Company. The Consultant is a non-reporting company duly incorporated under the laws of Colorado, U.S.A. and is wholly owned and controlled by Hesketh.

Pursuant to the terms of the Services Agreement, but subject to the TSXV's acceptance of the Aintree CPC QT, the Company will issue up to 2.0 million Shares to the Consultant in partial consideration for the business services performed as follows: an initial tranche of 500,000 Shares as a signing bonus in recognition of the Consultant's services to secure the acquisition of the Tonopah Project; a second tranche of 500,000 Shares upon TSXV acceptance of the CPC QT; a third tranche of 500,000 Shares upon completion of an updated independent NI 43-101 compliant technical report (as determined by such report being accepted for filing by the TSXV) declaring mineral resources on the Tonopah Project; and a fourth and final tranche of 500,000 Shares upon the completion of six months of service to the Company. The Shares will be issued pursuant to the "employee, executive officer, director and consultant" exemption in section 2.24 of National Instrument 45-106 – *Prospectus Exemptions*.

Mr. Hesketh was a director to the Company at the time of entering into the Agreement, constituting a related party transaction pursuant to TSXV Policy 5.9 and Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Company will rely on section 5.5(a) of MI 61-101 for an exemption from the formal valuation requirement and section 5.7(1)(a) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101 as the fair market value of either the securities to be distributed, or the consideration to be received for those securities, will not exceed 25% of the Company's market capitalization. However, given that the Shares to be issued to the Consultant under the Services Agreement will represent over 10% of the issued shares of Aintree, the TSXV will require that a majority of the shareholders (other than the Consultant and its associates and affiliates) provide a written consent to the Share consideration.

## Investor Cautions

Completion of the Aintree CPC QT is subject to a number of conditions, including but not limited to, TSXV acceptance and, if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the CPC QT cannot complete 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 Aintree CPC QT, 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 CPC should be considered highly speculative.

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

On behalf of the Aintree Resources,

“James Hesketh”

James Hesketh  
President & CEO

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**Forward-Looking Information:** This press release contains forward-looking information. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding the completion of a CPC QT filing with the TSXV and the TSXV acceptance required to complete the same, finalizing the Technical Report and its recommend work program, the completion of the Offering and the subsequent use of the proceeds, obtaining a required shareholder consent to the Services Agreement, and the payment of the equity-based compensation to the Consultant) are forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, the Company being unable to satisfy the TSXV’s requirements to complete the CPC QT, the inability to secure sufficient subscriptions to complete the Offering, the inability to obtain shareholder consent to the Services Agreement, amendments to the Technical Report prior to it

being finalized resulting changes to the recommended work program. Forward-looking information speaks only as of the date on which it is provided and, except as may be required by applicable securities laws and TSXV policies, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required under the securities laws and stock exchange policies applicable to the Company. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

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