



Pitchblack Resources

SULLIDEN SUBSIDIARY ANNOUNCES \$20 MILLION BOUGHT DEAL OF SUBSCRIPTION RECEIPTS IN CONNECTION WITH TROILUS ACQUISITION

TROILUS ACQUISITION DEAL STRUCTURE AMENDED TO FACILITATE SUBSCRIPTION RECEIPT CONVERSION INTO LISTED SECURITIES ON CLOSING OF ACQUISITION

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October 31, 2017, Toronto, Ontario - Sulliden Mining Capital Inc. (TSX: SMC) ("**Sulliden**") and Pitchblack Resources Ltd. (NEX: PIT.H) ("**Pitchblack**") are pleased to provide an update on the previously-announced acquisition by Pitchblack of an option to acquire the Troilus gold project (the "**Troilus Project**") in Quebec (the "**Transaction**"). In connection with the Transaction, 2507868 Ontario Inc. ("**Sulliden Sub**"), the wholly-owned subsidiary of Sulliden that is to be acquired by Pitchblack on closing of the Transaction, has entered into an agreement with National Bank Financial Inc. as sole bookrunner and together with Haywood Securities Inc. and PI Financial Corp., as co-lead underwriters, on behalf of a syndicate of underwriters (the "**Underwriters**") pursuant to which the Underwriters have agreed to purchase, on a bought deal private placement basis, 12,200,000 subscription receipts (the "**Subscription Receipts**") at a price of \$1.64 per Subscription Receipt for aggregate gross proceeds of \$20,008,000 (the "**Offering**"). Each Subscription Receipt shall entitle the holder thereof to receive one Sulliden Sub common share (a "**SR Share**") and one common share purchase warrant (a "**SR Warrant**") upon satisfaction of the Escrow Release Conditions (as defined below). Each SR Warrant shall entitle the holder thereof to acquire one SR Share, subject to standard adjustment provisions, at a price of \$2.50 per SR Share for a period of 36 months from the date of closing of the Offering.

The Sulliden Sub has also granted the Underwriters an option (the "**UW Option**"), exercisable up to 48 hours prior to the closing date of the Offering, to purchase up to an additional 1,830,000 Subscription Receipts for additional gross proceeds of up to C\$3,001,200 on the same terms as those applicable to the Offering.

The pricing of the Subscription Receipts reflects the four (4) for one (1) share consolidation of Pitchblack common shares that will be completed concurrent with closing of the Transaction. Also concurrent with the closing of the Transaction, Pitchblack is expected to be renamed to Troilus Gold Inc. ("**Troilus**").

The net proceeds of the Offering are expected to be used for current and future expanded exploration programs at the Troilus Project, closing of the Troilus Project option agreement, and for general corporate purposes.

On closing of the Offering, expected to occur on or before November 21, 2017, the gross proceeds from the Offering (the "**Escrowed Proceeds**") will be held in escrow by an escrow agent (the "**Escrow Agent**") pending satisfaction of the Escrow Release Conditions (as described below). The "**Escrow Release Conditions**" include the satisfaction of all conditions precedent to the completion of the Transaction,

other than the filing of the Articles of Amalgamation giving effect to the amalgamation (as described below) of Sulliden Sub, 2513924 Ontario Inc. ("**251 Ontario**") and a Pitchblack subsidiary ("**Pitchblack Sub**") newly-incorporated for the special purpose of effecting the amalgamation. Provided the Escrow Release Conditions have been satisfied on or prior to 5:00 p.m. (Toronto Time) on January 31, 2018 (the "**Release Deadline**"), the Escrowed Proceeds (and accrued interest less an amount on account of the commissions and expenses payable to the Underwriters as described below) will be released to Pitchblack (the "**Escrow Release Date**"), and the Subscription Receipts will be automatically converted into SR Shares and SR Warrants.

In connection with the Offering, the Underwriters will be paid a cash fee equal to up to 6.0% of the gross proceeds of the Offering. The Offering and the Transaction are subject to receipt of all necessary approvals, including regulatory approvals from the TSX Venture Exchange (the "**TSXV**").

Troilus Management Team

As per the press releases issued by Sulliden and Pitchblack on June 21, 2017, upon closing of the Transaction, the Troilus management team will comprise of former Sulliden technical and operational teams to accelerate the development of the Troilus Project; the same team that was responsible for the recent successful development of the Shahuindo Gold Project in Peru. The management and operations team will be led by Justin Reid and the technical team will be led by Peter Tagliamonte. Sulliden and Pitchblack are also pleased to announce the anticipated appointment of Mr. Michael Timmins as Senior Vice President, Corporate Development of Troilus.

Justin Reid, CEO and director of Sulliden, commented, "Sulliden has had the opportunity to work closely with Mike Timmins in various capacities over the last several years. His strong technical background and in-depth knowledge of the Canadian gold market makes him the perfect addition to the Troilus team and strategy moving forward."

Mr. Reid is a geologist and capital markets executive with over 20 years of experience focused exclusively in the resource space. From February 2013 to August 2014, Mr. Reid served as President of Sulliden Gold Corporation Ltd. Since the sale of Sulliden Gold Corporation Ltd. to Rio Alto Mining Limited, Mr. Reid has served as the CEO of Sulliden Mining Capital Inc. Mr. Reid holds a B.Sc from the University of Regina, an M.Sc from the University of Toronto and MBA from the Kellogg School of Management at Northwestern University. Mr. Reid started his career as a geologist with SGS and Cominco Ltd. after which he became a partner and senior mining analyst at Cormark Securities in Toronto. In 2011 Mr. Reid assumed the role of Managing Director Global Mining Sales at National Bank Financial, where he directed the firm's sales and trading in the mining sector.

Mr. Tagliamonte is a professional mining engineer and also holds an MBA from the Richard Ivey School of Business at the University of Western Ontario. Mr. Tagliamonte is the current CEO of Belo Sun Mining Corp., a precious metal resource exploration and development company focused on the Volta Grande property in Brazil. He is also an executive director of Sulliden Mining Capital Inc. He is the former President and CEO of Central Sun Mining, Chief Executive Officer of Sulliden Gold Corporation Ltd. and former Chief Operating Officer of Desert Sun Mining where he developed the Jacobina Mine in Brazil into a 4,200-tonne-per-day mining operation. Mr. Tagliamonte has over 25 years of progressive managerial experience building and operating mines worldwide, notably in Central and South America. In 2005, he received the Mining Journal's "Mine Manager of the Year" award in recognition for his work

in the mining sector. Mr. Tagliamonte also serves as a director of several public companies in the resource sector.

Mr. Timmins is a mining executive with over 20 years of technical and corporate development experience at Agnico Eagle Mines Limited and Placer Dome Inc. He most recently worked for Agnico Eagle as Vice-President, Corporate Development. During his tenure at Agnico, Mr. Timmins participated in the construction of the Kittila Mine in Finland and was involved in several key acquisitions and numerous strategic investments into the junior mining space. Prior to working at Agnico Eagle, he worked in various operational capacities in the Red Lake camp for Placer Dome. Mr. Timmins is a graduate of Queens University (MBA), the University of British Columbia (M.Sc.) and Bishops University (B.Sc.).

Amalgamation Agreement

In order to facilitate the Offering, Pitchblack, Sulliden Sub and 251 Ontario have agreed to amend the structure of the Transaction. The Transaction will now be effected pursuant to an amalgamation agreement (the “**Amalgamation Agreement**”) (a copy of which will be posted by Pitchblack on SEDAR and mailed to Pitchblack shareholders). Pitchblack has called a special meeting of shareholders to consider and approve the Transaction and Amalgamation Agreement. The shareholders’ meeting is scheduled for December 7, 2017 (the “**Shareholder Meeting**”).

Pursuant to the Amalgamation Agreement, Sulliden Sub, 251 Ontario and a Pitchblack Sub will amalgamate pursuant to the provisions of the *Business Corporations Act* (Ontario) to form one wholly-owned subsidiary of Pitchblack. Every four (4) existing Pitchblack Shares will be consolidated into one (1) new common share of Troilus. In addition, all the outstanding securities of 251 Ontario and Sulliden Sub, including the SR Shares and SR Warrants issued upon the conversion of the Subscription Receipts, shall be exchanged for post-consolidation Pitchblack common shares and warrants to purchase common shares of Pitchblack (in the case of the SR Warrants, such Pitchblack warrants issued in exchange therefor to have the same terms as the SR Warrants), in each case on a one for one basis. The Transaction is expected to close in December 2017 as soon as practicable after the Shareholder Meeting.

Upon completion of the Transaction, Troilus is expected to have approximately 39.7 million common shares and 12.4 million options and warrants (41.5 million common shares and 14.2 million options and warrants if the UW Option is exercised) issued and outstanding (after giving effect to the Transaction and the issue of Pitchblack securities in exchange for the SR Shares and SR Warrants upon conversion of the Subscription Receipts). Such Pitchblack securities issued in exchange for the SR Shares and SR Warrants, are expected to be free of any hold period pursuant to applicable Canadian securities laws.

Completion of the Transaction will be subject to certain standard conditions including receipt of all necessary consents, waivers, permits, exemptions, orders and approvals, including the approval of the TSXV. The Transaction also constitutes a “related party transaction” under National Instrument 61-101 and is therefore subject to the provisions of that instrument including Pitchblack minority shareholder approval. 2227929 Ontario Inc., a company owned by Fred Leigh, is a shareholder of 251 Ontario and Sulliden and is a non-arm’s length party to Pitchblack as it owns approximately 15% of the outstanding common shares of Pitchblack. In addition, William Clarke, a director Pitchblack, is also a director of Sulliden. The board of directors of each of Sulliden and Pitchblack have approved the Offering and the

Amalgamation Agreement, with Mr. William Clarke disclosing his interest and abstaining from voting on the resolutions.

Option for Troilus Project

Sulliden Sub is party to an option agreement with First Quantum Minerals Inc. (“**First Quantum**”) pursuant to which Sulliden Sub has the right to acquire the Troilus Project upon satisfaction of certain conditions. The two year option was signed in May 2016 and Pitchblack intends to exercise the option following completion of the Transaction. Sulliden, Sulliden Sub and 251 Ontario have entered into a further option agreement dated June 2, 2016 pursuant to which Sulliden Sub granted 251 Ontario an option to acquire 40% of the Troilus Project by making a cash payment to Sulliden Sub equal to 40% of the expenditures incurred by Sulliden Sub in exercising its option from First Quantum (the “**Option Payment**”) and an additional cash payment equal to 5% of the Option Payment. Upon the exercise of the option by 251 Ontario, Sulliden Sub has also agreed to grant to 251 Ontario a 1% net smelter return royalty which 251 Ontario has agreed to assign to 2489243 Ontario Inc., a company controlled by Peter McCague.

Financial Information re Sulliden Sub and 251 Ontario

As at April 30, 2017, Sulliden Sub had assets of \$597,543 consisting of exploration and evaluation assets and liabilities of \$597,542. 251 Ontario was incorporated in 2016 and since incorporation has had limited operations and, as at June 30, 2017, had negligible assets and liabilities. The foregoing financial information is unaudited.

About Sulliden Mining Capital

Sulliden Mining Capital is a venture capital company focused on acquiring and advancing brownfield, development-stage and early production-stage mining projects in the Americas.

Sulliden Mining Capital Inc.

On behalf of the Board

“Justin Reid”
Chief Executive Officer

For more information:
Caroline Arsenault
Investor Relations Manager
+1 (416) 861-5805

About Pitchblack Resources Ltd.

Pitchblack has uranium and gold assets in the Yukon Territory, Canada. The company is currently reviewing the potential of these properties.

G. Scott Moore
President and Chief Executive Officer
E-mail: smoore@forbesmanhattan.com
416-861-5903

Cautionary statement regarding forward-looking information

This press release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements regarding the Company’s plans for developing its properties, the ability of Pitchblack and Sulliden to close the proposed transactions contemplated in the Amalgamation Agreement on the terms described, satisfaction of all conditions precedent, receipt of any required third party and regulatory approvals and other transaction statements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: transaction risks; general business, economic, competitive, political and social uncertainties; future prices of mineral prices; accidents, labour disputes and shortages and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company and Sulliden do not undertake to update any forward-looking information, except in accordance with applicable securities laws.

COMPLETION OF THE TRANSACTION IS SUBJECT TO A NUMBER OF CONDITIONS, INCLUDING BUT NOT LIMITED TO, EXCHANGE ACCEPTANCE AND IF APPLICABLE, DISINTERESTED SHAREHOLDER APPROVAL. WHERE APPLICABLE, THE TRANSACTION CANNOT CLOSE 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 TRANSACTION, 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 PITCHBLACK SHOULD BE CONSIDERED HIGHLY SPECULATIVE. THE TSX VENTURE EXCHANGE INC. HAS IN NO WAY PASSED UPON THE MERITS OF THE PROPOSED TRANSACTION AND HAS NEITHER APPROVED NOR DISAPPROVED THE CONTENTS OF THIS NEWS RELEASE.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.