



## NEWS RELEASE

CSE: CAT

202-905 W. Broadway, Vancouver, BC V5Z 4M3

### CHIMATA GOLD ENTERS INTO DEFINITIVE EARN-IN, OPTION AND JOINT VENTURE AGREEMENT WITH EMGOLD MINING CORPORATION ON ITS TROILOUS NORTH PROPERTY

**Vancouver, BC, June 28, 2018 – Chimata Gold Corp. (CSE: CAT) ("Chimata" or the "Company") is pleased to announce that it has entered into a definitive option, earn-in, and joint venture agreement (the "Definitive Agreement") with Emgold Mining Corporation ("Emgold"; TSXV: EMR) giving Emgold the right to acquire up to a 100% interest in the Troilus North Property. As part of the Definitive Agreement, Emgold will issue 2.0 million common shares from its share capital to Chimata and is proceeding with its First Option, as defined below, to acquire an 80% interest in the Troilus North Property. Emgold will be required to issue an additional two million common shares and conduct CDN\$750,000 in exploration expenditures over a two year period in order to complete the First Option.**

#### **About the Definitive Agreement**

The terms of the Definitive Agreement provide that Emgold will have the exclusive right and first option (the "First Option") to acquire an 80% interest in the Troilus North Property over a two year period (the "Troilus North Transaction") for consideration of common shares of Emgold (the "Emgold Shares"), to be issued to the Company as shown in Table 1 below, and completion of C\$750,000 in exploration expenditures to be incurred within two years of closing of the Troilus North Transaction.

**Table 1**

#### **Share Payment for First Option, Troilus North Property**

Date	Emgold Shares
Closing of Transaction	2,000,000
First Anniversary	1,000,000
Second Anniversary	1,000,000

Upon completing the First Option, Emgold would have a further option (the "Second Option") to acquire an additional 20% interest (total 100% interest) in the Troilus North Property by issuing Chimata a further 1.0 million Emgold Shares. The Company would retain a 1% Net Smelter Royalty for Troilus North, half of which (i.e. 0.5%) could be purchased by Emgold at any time for C\$500,000.

Emgold will be assigned the Company's rights and obligation under the mining property acquisition agreement entered into by the Company with Greg Exploration Inc. and other vendors (collectively referred to as the "Vendors") on September 18, 2017 along with the amending agreement to such

acquisition agreement entered on March 19, 2018 (collectively referred to as the “**Acquisition Agreement**”), which shall include but not be limited to remaining payments which are left outstanding to the Vendors but also the right by Emgold to purchase the NSR that is granted to the Vendors under the Acquisition Agreement in lieu and place of Chimata.

Exploration Expenditures shall include, but not be limited to, claim fees, property taxes, advance claim or advance royalty payments or other holding costs including property payments to underlying claim owners, exploration expenditures, permitting expenditures, reclamation expenditures, and reasonable administrative costs. Excess expenditures, made in any given year, will be credited to future years of exploration of the Troilus North Property. Emgold will be deemed to be the operator of the Troilus North Property during the First Option Period and retain full discretion as to the nature, extent, timing, and scope of all work and exploration expenditures to be undertaken on the Troilus North Property. Note that the payments outlined above to be paid to the Vendors as part of the Acquisition Agreement are therefore part of the C\$750,000 in exploration expenditures required to complete the First Option.

Two years after the date of closing of the Troilus North Transaction or upon completion of the First Option requirements, whichever occurs first, and should Emgold decide not to exercise the Second Option; Chimata and Emgold would establish an industry standard Joint Venture Operating Agreement to operate a joint venture entity between them (the “**Joint Venture Entity**”). Emgold will be the initial operator of the Joint Venture Operating Agreement and shall retain full discretion as to the nature, extent, timing, and scope of all work on the Troilus North Property. After the Joint Venture Operating Agreement takes effect, Chimata and Emgold will be required to contribute to the Joint Venture Entity based on their respective ownership percentages of the Joint Venture Entity, or be diluted.

After forming the Joint Venture Operating Agreement, if Chimata does not contribute to the Joint Venture Entity and its interest in the Joint Venture Entity falls below ten percent (10%) ownership at any given time, Chimata’s interest in the Property would be converted into a Net Smelter Interest of one percent (1.0%). Emgold shall retain the option to purchase 50% of this NSR for CDN\$500,000.

#### **ON BEHALF OF THE BOARD**

**Richard Groom**

*Chairman and Interim President and CEO*

Further information regarding the Company can be found on SEDAR at [www.SEDAR.com](http://www.SEDAR.com), or by contacting the Company directly at (604) 674-3145.

*This news release may contain forward-looking statements. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Particular risks applicable to this press release include risks associated with planned production, including the ability of the company to achieve its targeted production outline due to regulatory, technical or economic factors. In addition, there are risks associated with estimates of resources, and there is no guarantee that a resource will have demonstrated economic viability as necessary to be classified as a reserve. There is no guarantee that additional exploration work will result in significant increases to resource estimates differ materially from those currently anticipated in such statements. Particular risks applicable to this press release include risks associated with planned production, including the ability of the company to achieve its targeted production outline due to regulatory, technical or economic factors. In addition, there are risks associated with estimates of resources, and there is no guarantee that a resource will*

*have demonstrated economic viability as necessary to be classified as a reserve. There is no guarantee that additional exploration work will result in significant increases to resource estimates*

*The Canadian Securities Exchange (CSE) has not reviewed this news release and does not accept responsibility for its adequacy or accuracy.*

We seek safe harbour.