

Walcott Resources Ltd.
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Walcott Enters Into Definitive Agreement to Acquire Australian Silver Projects, Announces Brokered Private Placement for Gross Proceeds up to \$2,000,000 and Grants Options

Vancouver, British Columbia--(Newsfile Corp. - August 13, 2020) - Walcott Resources Ltd. (CSE: WAL) (the "**Company**" or "**Walcott**") is pleased to announce that it has entered into a share exchange agreement dated effective August 13, 2020 among the Company, 1256714 B.C. Ltd. ("**TargetCo**") and the shareholders of TargetCo (the "**Definitive Agreement**"), pursuant to which, subject to regulatory approval, the Company will acquire 60% of the issued and outstanding shares of TargetCo (the "**Proposed Transaction**"). Targetco owns a 100% interest (subject to a 2% NSR) in two prospective silver-zinc projects in Australia, being the Tyr Silver Project and the Century South Silver-Zinc Project.

The Silver Projects

- **Tyr Silver Project** in northern New South Wales has two historic silver mines – Burra and Torny – coupled with high-grade silver zinc-lead-tin mineralization
 - The Tyr Silver Project delivers upside potential with mineral occurrences apparent along a north-west trend
 - Notably, the north-west trend is part of a large-scale mineralized system that includes the historic silver mines, which materially boosts exploration upside
- **Century South Silver-Zinc Project** in the Mt Isa Basin, north-west Queensland, which is under-explored but in a highly prospective region and 5km along strike from one of the world's largest silver-zinc mines
- Both projects are located near established mining infrastructure & accessible port, whilst Australia is a stable, well-regulated, mining jurisdiction

The Proposed Transaction

Pursuant to the terms of the Definitive Agreement, upon the date of closing (the "**Closing Date**") of the Proposed Transaction, Walcott will acquire 60% of the issued and outstanding securities of TargetCo in consideration for the issuance of 15,000,000 common shares of the Company (the "**Payment Shares**") pro rata to shareholders of TargetCo at a deemed price of \$0.305 per Payment Share. In addition, subject to approval of the Canadian Securities Exchange (the "**CSE**"), the Company will issue 675,000 common shares

to an arm's length third party finder in connection with the Proposed Transaction (the "**Finders' Shares**") at a deemed price of \$0.305 per Finders' Share. The Payment Shares will not be subject to any hold periods under applicable securities laws. The Finders' Shares will be subject to a four month and one day hold period under applicable securities laws.

The Proposed Transaction remains subject to certain closing conditions including, without limitation, (a) the receipt by the Company of all necessary corporate and regulatory approvals, including the approval of the CSE, as applicable; and (b) each party's representations and warranties in the Definitive Agreement being true and correct in all aspects as of the Closing Date, and each party meeting its terms and conditions and completing its covenants and obligations as contained therein. There can be no guarantees that the Proposed Transaction will be completed as contemplated or at all. The Proposed Transaction is anticipated to close on or before August 30, 2020.

The Private Placement

The Company is also pleased to announce that it has arranged a brokered private placement financing of up to 8,000,000 common shares of the Company ("**Shares**") at a price of \$0.25 per Share for gross proceeds of up to \$2,000,000 (the "**Offering**"). Mackie Capital Research Corporation (the "**Agent**") is offering the Shares as agent on a commercially reasonable efforts basis.

In addition, the Company will grant to the Agent exercisable in whole or in part by notice given at any time up until the closing of the Offering, an overallotment option (the "**Over Allotment Option**") to offer for sale additional Units of up to 15% of the Shares sold under the Offering, for additional gross proceeds of up to \$300,000.

The Agent is entitled to receive a commission equal to 7% of the gross proceeds of the Offering and the Over Allotment Option, a corporate finance fee of \$25,000 (plus applicable taxes), and broker warrants (the "**Broker Warrants**") to acquire that number of Shares equal to 7% of the Shares sold under the Offering and upon exercise of the Over Allotment Option. Each Broker Warrant will be exercisable at \$0.25 per Share for a period of 24 months following the closing.

Proceeds from the Offering will be used for exploration activities on the Company's Cobalt Hill coppergold-cobalt property, completion of the Proposed Transaction and exploration of the acquired silver projects and for general working capital purposes.

Completion of the Offering is subject to standard closing conditions, including the Agent's satisfactory due diligence and approval of the CSE. All securities issued pursuant to the Offering will be subject to a four-month plus one day hold period from the closing date.

Stock Options

The Company also announces that it has made a grant of stock options under its stock option plan to certain of its directors and officers to acquire a total of 700,000 common shares of the Company. All of the options are exercisable at a price of \$0.305 per share and all of the options are vested on the date of

their grant. The options have a term of five (5) years and are subject in all respects to the terms of the Company's stock option plan and the policies of the CSE.

About Walcott Resources Ltd.

Walcott is a British Columbia based Company involved in the acquisition and exploration of mineral properties in Canada. The Company holds an option to acquire a 100% undivided interest, subject to a 1.5% NSR on all base, rare earth elements and precious metals, in the Cobalt Hill copper-gold-cobalt property (the "Property"), consisting of eight mineral claims covering an area of approximately 1,727.43 hectares located in the Trail Creek Mining Division in the Province of British Columbia, Canada. The Company's objective is to explore and develop the Property.

ON BEHALF OF THE BOARD

"Marshall Farris"

CEO and Director

For further information, please contact the Company at:

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The CSE does not accept responsibility for the adequacy or accuracy of this release.

The Canadian Securities Exchange has not in any way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release.

The securities to be issued in connection with the Proposed Acquisition and Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or under any state securities laws, and may not be offered or sold, directly or indirectly, or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act) absent registration or an applicable exemption from the registration requirements. This news release does not constitute an offer to sell or a solicitation to buy such securities in the United States.

This press release includes "forward-looking information" that is subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements may include but are not limited to, statements relating to the trading of the Company's common shares on the Exchange and the Company's use of proceeds and are subject to all of the risks and uncertainties normally incident to such events. Investors are cautioned that any such statements are not guarantees of future events and that actual events or developments may differ materially from those projected in the forward-looking statements. Such forward-looking statements represent management's best judgment based on information currently available.