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Guerrero Ventures to Acquire Royalty and Stream Portfolios from Orion and Yamana and Launch Nomad Royalty Company

Montreal, Québec, February 23, 2020 – Guerrero Ventures Inc. (TSX-V: GV) (“**Guerrero**” or the “**Company**”) is pleased to announce that it has entered into definitive purchase agreements with funds related to Orion Resource Partners (USA) LP (“**Orion**”) and Yamana Gold Inc. and one of its affiliates (“**Yamana**”) dated February 23, 2020, to acquire two portfolios of royalty, stream and gold loan assets for total consideration of \$268 million and \$65 million, respectively (the “**Acquisitions**”). Upon closing of the Acquisitions and a concurrent private placement (together, the “**Transaction**”), Guerrero intends to change its corporate name to Nomad Royalty Company Ltd. (“**Nomad**”). All amounts in this news release are expressed in United States dollars unless otherwise indicated.

The Company intends to raise up to \$10 million in a concurrent marketed private placement of subscription receipts (the “**Private Placement**”) in order to fund a portion of the Yamana Cash Consideration (as defined below) and capitalize the Company. The Company has obtained a lead order of \$3 million in connection with the Private Placement.

Vincent Metcalfe, Chief Executive Officer and Joseph de la Plante, Chief Investment Officer of Guerrero, commented: “We are very proud to announce today the launch of Nomad Royalty Company, a new global acquisition-driven precious metals royalty company. Together with our partners, Orion and Yamana, we are excited to combine our significant transaction expertise to deliver a new generation royalty company and execute an aggressive growth plan. Our ambition is for Nomad to become a new leader in the mining industry through transparent and collaborative leadership that takes to heart the interests of all of its stakeholders.”

Establishing a Global, Acquisition-Driven Precious Metals Royalty Company

Key Highlights of the Transaction are as follows:

- Combined portfolio consisting of 10 royalty, stream and gold loan assets, 7 of which are currently producing or expected to begin producing in 2020 and are expected to generate more than \$30 million of operating cash margin¹ in 2021.

¹ Cash margin is a non-IFRS financial performance measure which has no standard definition under IFRS. It is calculated by deducting the cost of sales from the revenues.

- Pure-play precious metals portfolio with no operator buy-back rights on any of the contracts and significant upside through resource expansions and mine life extensions.
- Creation of a new growth platform with a mandate to pursue acquisitions with the support of Orion and Yamana.
- Highly experienced and high-performance management team led by Vincent Metcalfe, Chief Executive Officer, and Joseph de la Plante, Chief Investment Officer, that have the expertise and relationships to build a world-class royalty company.
- Strong focus on returning capital to shareholders through a peer-leading dividend.
- Optimized corporate structure with a focus on minimizing G&A expenses and executive compensation policies fully aligned with shareholder interests.

Istvan Zollei, portfolio manager at Orion, commented: “We are pleased to partner with the Nomad management team in the creation of a new, uniquely positioned public royalty company. As a leading metals and mining investor and the largest shareholder of Nomad, Orion looks forward to supporting the Company’s ambitious growth plans and is confident Nomad will deliver superior returns for all of its shareholders.”

Gerardo Fernandez, Senior Vice President, Corporate Development, at Yamana, commented: “This transaction marks another step in Yamana’s strategy to optimize its portfolio while also providing us with a meaningful stake in a new royalty company with an exceptional management team, asset base, and growth prospects. We look forward to working with Nomad and are confident the transaction will generate significant value for our shareholders.”

Orion and Yamana Portfolio Acquisitions

As part of the Transaction, Guerrero will acquire a portfolio of assets from Orion (the “**Orion Portfolio Acquisition**”) for total consideration of \$268 million. Guerrero will satisfy the purchase price by issuing 396,455,965 common shares to Orion at a price of CAD \$0.90 per common share. Upon closing of the Transaction, Orion is expected to hold approximately 77% of Nomad’s outstanding common shares.

Concurrent with the Orion Portfolio Acquisition, Guerrero will acquire a portfolio of assets from Yamana (the “**Yamana Portfolio Acquisition**”) for total consideration of \$65 million. Guerrero will satisfy the purchase price by issuing 66,500,000 common shares to Yamana at a price of CAD \$0.90 per share and by paying \$20 million in cash (the “**Yamana Cash Consideration**”). Guerrero has the option to pay up to \$10 million of the Yamana Cash Consideration through a deferred payment (the “**Deferred Payment**”), which, will have a term of two years (subject to early redemption features), will bear interest at an annual rate of 3% and will be convertible into common shares of the Company at a price of CAD \$0.90 per share. Upon closing of the Transaction, Yamana is expected to hold approximately 13% of Nomad’s outstanding common shares, prior to considering any shares underlying the Deferred Payment, if issued.

Leadership Team Aligned with Shareholders

The Company will establish transparent and progressive governance and compensation policies that will promote strong alignment between management and shareholder interests. Upon closing of the Transaction, the Chief Executive Officer and Chief Investment Officer will each own 6.3 million common shares of the Company and have agreed to renounce to the cash portion of their compensation for the Company's initial 12 months of operations. The leadership team strongly believes in minimizing annual cash G&A expenses and expects annual expense levels to be well below its royalty peers.

Assets Acquired from Orion

Blyvoor Gold Stream – Witwatersrand Gold Belt, South Africa

Description

- Gold stream on the Blyvoor Gold Mine, operated by Blyvoor Gold Pty;
- Status: Currently in final construction & re-start phase with initial production expected mid-to-late 2020;
- The Blyvoor gold stream will be the material property of Guerrero. Guerrero has commissioned a NI 43-101 compliant technical report which is expected to be completed and filed in the coming weeks;
- One of the world's top ten most productive gold mines, having produced over 45 million ounces of gold historically.

Stream Details

- 10% gold stream on the first 160 koz of gold produced within a calendar year, then 5% stream on any additional gold produced within the calendar year;
 - Applicable to the first 300 koz of gold delivered under the stream;
- Following delivery of 300 koz of gold, 0.5% stream on the first 100 koz of gold produced in a calendar year;
 - Applicable to the first 10.32 Moz produced at the Blyvoor Mine;
- Subject to a fixed ongoing payment of \$572/oz.

Bonikro Gold Stream – Hiré, Ivory Coast

Description

- Gold stream on the producing Bonikro Gold Mine operated by Allied Gold Corp.;
- Status: Gold has been produced from the Bonikro open pit and through the Bonikro plant since 2008.

Stream Details

- 6.0% gold stream until 650 koz gold produced, followed by 3.5% gold stream until 1.3 Moz is produced; tail stream of 2.0% thereafter;
- Subject to a fixed ongoing payment of \$400/oz.

Woodlawn Silver Stream and Lead Marketing Fee – New South Wales, Australia

Description

- Silver stream on the Woodlawn Mine operated by Heron Resources Limited;
- Status: Currently in the commissioning stage. The mine was historically mined via open pit and underground between 1978 and 1998;
- The mine produces three primary concentrates (zinc, lead, copper).

Stream Details

- Silver stream based on payable silver.
 - 80% of payable silver until 2.15 Moz silver have been delivered to the stream, 40% of payable silver until 3.4 Moz silver have been delivered to the stream, 25% of payable silver for the remaining life of mine;
- Silver stream based on payable zinc
 - Silver stream based on payable zinc multiplied by the zinc stream rate multiplied by a zinc silver conversion rate of 170.2 ounces of silver per metric tonne of zinc;
 - Zinc stream rate of 0.30% until 140 tonnes of payable zinc have been delivered, 1.15% until 910 tonnes of payable zinc delivered, 2.25% until 4,200 tonnes of payable zinc have been delivered, and 0.75% of payable zinc for the remaining life of the mine;
- 0.2% Lead marketing fee;
- Subject to an ongoing payment of 20% of prevailing silver price.

Mercedes and South Arturo Silver Streams – Mexico & Nevada

Description

- Silver stream on the Mercedes Mine operated by Premier Gold Mines Limited;
- Silver stream on the South Arturo Mine, in which Premier Gold Mines Limited has a JV interest and which is operated by Nevada Gold Mines LLC, a joint venture between Barrick Gold Corporation and Newmont Corporation;
- Status: In production (both mines).

Stream Details

- 100% of attributable silver production from the Mercedes (100% ownership) and South Arturo (40% ownership) mines;
 - Applicable to the first 3.75 Moz of payable silver delivered to the stream, after which the stream is reduced to 30% over the life of mine;
- Minimum delivery of 300 koz of silver annually until the cumulative delivery of 2.1 Moz;
- Subject to ongoing payment of 20% of the prevailing silver price.

Premier Gold Loan – Corporate – Gold Deliveries

- Initial 4.9 koz gold payable in two equal installments: March 31, 2020 and June 30, 2020;
- Starting September 30, 2020: 1,000 oz gold payable quarterly, until 12,000 oz gold have been delivered.

Assets Acquired from Yamana

Riacho dos Machados (“RDM”) Gold Royalty – Minas Gerais, Brazil

Description

- The RDM Gold Mine is situated in the northern part of Minas Gerais State, Brazil and is currently operated by Equinox Gold Corp. (subject to closing combination of Equinox Gold Corp. and Leagold Mining Corporation announced on December 16, 2019);
- Status: In production.

Royalty Details

- 1% NSR royalty on gold and 2% NSR royalty on base metals.

Gualcamayo Gold Royalty and Deep Carbonates Project (“DCP”) Commercial Production Payment – San Juan, Argentina

Description

- Royalty on the currently producing Gualcamayo Mine operated by Mineros S.A.;
- Gualcamayo Oxides
 - Status: In production. Since commencing commercial production in 2009, Gualcamayo has produced 1.4 Moz gold from both open pit and underground operations;
- Gualcamayo DCP
 - DCP consists of a mineral resource located mainly to the west and at depth of the current mining operations and remains open along strike and at depth;
 - Status: Pre-Feasibility Study

Royalty Details

- Oxides: 2% NSR royalty excluding first ~275 koz of gold production from January 1, 2020, onwards (first payment expected in 2023), capped at \$50 million of total payments;
- DCP: 1.5% NSR royalty.

Commercial Production Payment Details

- \$30 million cash payment due to Nomad upon the commencement of commercial production from the DCP.

Suruca Gold Royalty – Goias, Brazil

Description

- Royalty on the Suruca project operated by Lundin Mining Corporation;
- The Suruca project is a gold bearing development project located approximately 7 kilometres NE from the Chapada Mine;
- The oxide ores could be processed using conventional heap leaching technology and the sulphide ores will be processed in the existing Chapada plant subject to modifications or using a new CIL plant;
- Status: Studies ongoing. Permitting is completed and basic engineering has been advanced.

Royalty Details

- 2% NSR royalty.

Private Placement of Subscription Receipts

As part of the Transaction, Guerrero has entered into a letter of engagement with Scotia Capital Inc. and BMO Capital Markets (the “**Joint Bookrunners**”) under which the Joint Bookrunners have agreed to offer for sale, on a “best effort” private placement basis, subject to all required regulatory approvals, up to \$10 million in subscription receipts (the “**Subscription Receipts**”) of the Company at a price of CAD \$0.90 per Subscription Receipt (the “**Subscription Price**”) through a marketed private placement financing in each of the provinces of Canada, the United States (subject to applicable exemptions) and other jurisdictions in Europe. The private placement will not be subject to minimum proceeds.

The Company will use the net proceeds from the Private Placement to fund the Yamana Cash Consideration and for general corporate purposes. The Private Placement is expected to close before the end of March, 2020, or such other date as agreed to by the Joint Bookrunners and the Company.

Each Subscription Receipt will entitle the holder thereof to receive, without payment of any additional consideration or further action on the part of the holder, and subject to adjustment, one common share of the Company upon the satisfaction or waiver as applicable, of certain escrow release conditions, which include, among other things, all conditions precedent to the completion of the Acquisitions (the “**Escrow Release Conditions**”) having been satisfied on or before 4:00 p.m. (eastern time) on June 30, 2020 (the “**Escrow Release Deadline**”).

The gross proceeds from the Private Placement will be delivered to and held by a licensed Canadian trust company or other escrow agent (the “**Escrow Agent**”) mutually acceptable to the Joint Bookrunners and the Company, in an interest-bearing account (the “**Escrowed Funds**”). The net Escrowed Funds will be released by the Escrow Agent to the Company upon satisfaction, or waiver, if applicable, of the Escrow Release Conditions prior to the Escrow Release Deadline.

If the Escrow Release Conditions have not been satisfied on or prior to the Escrow Release Deadline, the Escrow Agent will return to the holders of Subscription Receipts an amount equal to the aggregate Subscription Price for the Subscription Receipts held by such holders and their

pro rata portion of interest earned on the Escrowed Funds (less applicable withholding tax, if any) and the Subscription Receipts will be cancelled. The Company will be responsible and liable to the holders of the Subscription Receipts for any shortfall between the aggregate Subscription Price paid by the original purchasers of Subscription Receipts and the Escrowed Funds.

Completion of the Transaction

Completion of the Transaction is expected to occur in the second quarter of 2020 and is subject to a number of conditions including, but not limited to: (i) closing conditions customary in transactions of this nature; (ii) receipt of regulatory approvals, including approval of the TSX Venture Exchange (“**TSX-V**”) for the Transaction and Toronto Stock Exchange (“**TSX**”) listing effective upon closing of the Transaction; (iii) completion of the Acquisitions; (iv) completion of the Private Placement; and (v) other actions necessary to complete the Transaction. There can be no assurance that the Transaction will be completed as proposed or at all. Given that Guerrero has no active operations, is not subject to a cease trade order, and that the Transaction will be effected at arm’s length and does not otherwise require shareholder approval under the *Canada Business Corporations Act* and applicable securities legislation, shareholder approval will not be required under the applicable policies of the TSX-V. Guerrero intends to apply for a sponsorship waiver pursuant to TSX-V Policy 2.2.

In connection with the Transaction, the Company will seek approval from the Toronto Stock Exchange to graduate from the TSX-V and list its common shares on the TSX.

Board Approval

The Board of Directors of Guerrero has unanimously approved the Transaction.

Guerrero Annual and Special Shareholders’ Meeting

Guerrero will call an annual and special meeting of its shareholders (the “**Meeting**”) for the election of directors, the appointment of the auditor, the change of the corporate name to Nomad Royalty Company Ltd., amendments to Guerrero’s articles to provide for the appointment of additional directors between annual meetings of shareholders, ratification of new general by-laws and approval of incentive plans. Guerrero will issue a press release at the time that it provides notice to its shareholders of the Meeting and the dissemination of Guerrero’s management information circular in respect of the Meeting.

Investor Rights Agreement

In connection with the Acquisitions, Guerrero, Orion and Yamana will enter into an investor rights agreement, pursuant to which Orion, Yamana and Guerrero will agree, among other things, that:

- In connection with the Acquisitions, Orion will be subject to a 12-month lockup period in respect of its shareholding in the Company and Yamana will be subject to a similar 6-month lockup period;
- For so long as Orion holds at least 50% of the issued and outstanding common shares of the Company, it will have the right to nominate for election 50% (rounded up to the nearest whole number) of the directors of the Company;

- The foregoing right will be reduced proportionately in increments of 10% commensurate with Orion's ownership, subject to the condition that Orion must hold at least 10% of the Company's outstanding common shares in order to have the right to propose nominees for election as directors;
- For so long as Yamana holds at least 10% of the issued and outstanding common shares of the Company, it will have the right to propose one nominee for election as a director of the Company; and
- Each of Yamana and Orion will have a participation right, for so long as each holds at least 10% of the issued and outstanding common shares of the Company, to maintain their respective percentage shareholding interest in the Company at the time of any financing by the Company, whether public or private. The foregoing right will not apply in the event of an issuance of shares by the Company upon the exercise of stock options or other incentive securities, the conversion of outstanding convertible securities.

Technical Due Diligence

Guerrero contracted G Mining Services Inc (“**G Mining**”), on behalf of Orion, Yamana and the Company, to conduct an independent technical review of the assets contained in the Orion and Yamana portfolios. G Mining carried out and completed evaluations of each of the assets in the two portfolios, subject to the assumptions, limitations and qualifications set out in the final report provided to the Company. G Mining and the Company also conducted site visits to the Blyvoor and Bonikro gold mines.

Preliminary News Release

This is a preliminary news release regarding the Transaction, additional press releases containing additional information on the Transaction will follow in accordance with the policies of the TSX-V.

Trading Halt

Trading in the Company's common shares on the TSX-V will be halted before the opening of the market on Monday February 24, 2020. The Company does not intend to apply to the TSX-V for reinstatement of trading until closing of the Transaction.

Advisors

Fasken Martineau DuMoulin LLP is acting as legal counsel to the Company. CIBC Capital Markets is acting as financial advisor and Torys LLP is acting as legal counsel to Orion. RBC Capital Markets is acting as financial advisor and Cassels Brock & Blackwell LLP is acting as legal counsel to Yamana.

Qualified Persons

Louis-Pierre Gignac, ing., M.Sc.A, CFA, is a Qualified Person under NI 43-101, and has reviewed and approved the technical contents of this news release on behalf of Guerrero.

Réjean Sirois, P. Eng, is a Qualified Person under NI 43-101, and has reviewed and approved the technical contents of this news release on behalf of Guerrero.

Investors are cautioned that, except as disclosed in the Company's public filings, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

Notice on Forward-looking Statements

This news release contains statements that may constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information may include, among others, statements regarding the future plans, costs, objectives or performance of the Company and its business, or the assumptions underlying any of the foregoing. In this news release, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. The forward-looking events and circumstances discussed in this release, including completion of the Acquisitions and Private Placement, and possible listing of the Company's common shares on the Toronto Stock Exchange, may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the Company, including risks regarding royalty, stream and gold loan assets, the ability of the Company's management to manage and to operate the business of the Company, and the equity markets generally. Forward-looking information is based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond the control of the Company. These risks, uncertainties and assumptions include, but are not limited to, those that will be described in the Company's continuous disclosure documents to be filed, and which will be available, on SEDAR at www.sedar.com, and could cause actual events or results to differ materially from those projected in any forward-looking statements. The Company does not intend, nor does it undertake any obligation, to update or revise any forward-looking information contained in this news release to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.

About Guerrero Ventures

Guerrero is a publicly listed company with a focus on acquiring mineral assets that will provide the opportunity to enhance shareholder value.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX Venture 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, including the Acquisitions and Private Placement, may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative. This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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