



Nisga'a Lisims
Government



NATIONS
ROYALTY

Nations Royalty Established to Unite First Nations & Indigenous Groups as Shareholders in New Growth-Oriented Public Company

Nisga'a Nation to Contribute Initial Royalties on Large-Scale, Diversified Canadian Mineral Assets

Experienced Financial, Technical and Social Governance Professionals to be Appointed to Executive and Board

Nations Royalty Set to Become Canada's Largest Majority Indigenous-Owned Public Company, Poised for Future Growth

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February 1, 2024, VANCOUVER, BC; Gitlaxt' aamiks, BC: In a groundbreaking development for Canada's natural resources and Indigenous business sector, the Nisga'a Nation and Vega Mining Inc. ("**Vega**") announce that they have entered into an agreement dated February 1, 2024, pursuant to which, among other things, Vega will acquire from the Nisga'a Nation the rights to five annual benefit payment entitlements (the "**Royalties**") in Benefit Agreements the Nisga'a Nation has in place in respect of mines and projects within the Golden Triangle Area located in northwest British Columbia, in exchange for common shares in the capital of Vega (the "**Transaction**"). Upon completion of the Transaction, Vega will be majority owned by the Nisga'a Nation and will be renamed "Nations Royalty Corp." ("**Nations Royalty**" or the "**Company**").

The Company's vision is to unite First Nations and Indigenous groups across Canada, welcoming external investors to join the Company as shareholders. Together, they will combine royalties from mining projects, tapping into the growth, diversification and value potential typical of publicly traded royalty companies.

On closing, Nations Royalty is set to become Canada's largest majority Indigenous-owned public company, poised to be a significant player in the mining royalty sector. The Company is in discussions with other First Nations and Indigenous groups to join the Company in the near future, marking a transformative moment in Canada's mining landscape, characterized by unity, empowerment, and a shared vision for the future.

Nations Royalty's foundation begins with the Royalties that the Nisga'a Nation has in place in respect of the following properties:

- The high-grade Brucejack gold mine operated by Pretium Resources Inc., a wholly-owned indirect subsidiary of Newmont Corporation, a large underground gold mine in Canada;
- The KSM Copper-Gold-Silver-Molybdenum deposit, currently in development by Seabridge Gold Inc.;
- The Premier Gold Project and Red Mountain Gold Deposit, in construction by Ascot Resources Ltd., with gold production expected in the coming months¹; and
- The Kitsault Molybdenum Deposit, a large, fully permitted brownfield site owned and being actively advanced by New Moly LLC, majority-owned by Resource Capital Fund VI L.P.

For further information regarding the Transaction, including terms and conditions to closing, please see 'Transaction Details' below.

Eva Clayton, President of Nisga'a Lisims Government, stated: "Our people have a history of leadership and innovation, from significant legal victories to the first Modern Treaty in British Columbia. Today, we embark on this new venture with Indigenous groups and leaders from the mining industry to promote cooperation and progress, ushering in a new era in Indigenous business, as well as Canada's mining and natural resources sector."

Charles Morven, Secretary-Treasurer of Nisga'a Lisims Government, stated: "We look forward to collaborating with First Nations across Canada and Indigenous communities worldwide, as well as outside shareholders, through Nations Royalty. Our portfolio of Royalties are from Tier 1 and Tier 2 assets equally diversified across gold and copper, providing a strong foundation to grow the Company. This transaction allows us to bring forward the future value of our Royalties and retain the Net-Asset Value ("NAV") multiple and diversification afforded to public royalty companies. Our objective is to establish the Company as a long-term, dividend-paying cornerstone investment for the Nisga'a Nation."

Frank Giustra, Strategic Advisor to Nations Royalty, stated: "I am honored to collaborate with the Nisga'a and other First Nations in establishing this essential new company. Almost two decades ago, I played a role in developing the metals streaming concept as a co-founder of Wheaton Precious Metals and I see Nations Royalty as a vitally important successor to this concept. Also, by empowering First Nation entrepreneurs and leaders, we aim to inspire numerous Indigenous companies to participate in Capital Markets across various industries.

Over the past 30 years, most new mines in Canada have royalties included in Benefit/Collaborative Agreements, a majority of which have been through Canada's rigorous permitting processes, which involves consultation with and consent from Indigenous Peoples. Nisga'a see this as a tremendous growth opportunity as first movers in this space, with the potential to achieve a premium NAV afforded to other public royalty companies. Through the vision of combining additional Indigenous held royalties, Nations Royalty will provide an opportunity for Indigenous groups across Canada and potentially globally, to achieve diversification through different regions and commodities.

Nations Royalty will create a unique opportunity for economic reconciliation and increased transparency in the mining industry. A core focus of the Company is to build capacity for Indigenous people in the management of public companies and capital markets, which we hope will result in the creation of additional Indigenous economic ventures. The Company is positioned to set new benchmarks in

¹ As disclosed by Ascot Resources Ltd. in a news release dated August 14, 2023.

Environmental, Social & Governance (ESG) principles, benefiting indigenous groups, investors, and capital markets.”

Co-Founder, Interim President and CEO

Robert McLeod, a third-generation miner from Stewart, BC with deep family ties to Nisga’a leadership over the past seventy years. Rob has had a pivotal role in Nations Royalty’s inception and bringing the Nisga’a Nation and Vega together to pursue this exciting opportunity. In the near future, it is expected that he will be appointed as interim President and CEO of the Company. It is the goal of Nations Royalty to be managed and run by Indigenous people. Upon the completion of the Transaction, Nations Royalty's management team will be comprised of individuals possessing extensive expertise in Indigenous engagement, benefit agreement negotiations, finance, technical due diligence, and marketing, with a strong emphasis on Indigenous leadership at the forefront.



Figure 1. Mines and Development Projects within Nisga’a Treaty Lands

Board of Directors

Upon closing of the Transaction, the Board of Directors of Nations Royalty will be reconstituted to

consist of up to six persons, four of whom will be nominated by the Nisga'a Nation and two will be independent directors. These four director candidates will be announced in the following weeks. It is currently intended that the two independent directors will be Matthew Coon Come and Alex Morrison.

Matthew Coon Come is a prominent Indigenous leader, known for his influential advocacy and tireless efforts in advancing the rights and well-being of Indigenous peoples. He is a member of the Cree Nation and hails from the Mistissini community. Mr. Coon Come gained international recognition during his tenure as the National Chief of the Assembly of First Nations (AFN) from 2000 to 2003, where he championed issues related to indigenous sovereignty, land rights, and social justice. His leadership extended beyond Canada, advocating for Indigenous rights on the global stage. Mr. Coon Come's dedication to indigenous self-determination and his commitment to bridging gaps between Indigenous and non-Indigenous communities have left a lasting legacy in the ongoing struggle for Indigenous rights and reconciliation in Canada and worldwide. In 2018, he was appointed an Officer of the Order of Canada for his exceptional contributions. He currently serves on the Board of Directors for Seabridge Gold and previously served on the Board of Directors of Newmont Corporation and previously Goldcorp Inc.

Alex Morrison is a professional director and experienced mining executive with over 35 years experience in the mining industry. He has vast multidisciplinary experience in senior strategic roles in finance, accounting, information technology, supply chain, risk management and operations support at major mining companies including Newmont Mining, Homestake Mining, Phelps Dodge and Stillwater Mining. His most relevant experience to his role as a Director at Nations Royalty is his former role as Chief Financial Officer at Franco Nevada, a leading international gold royalty company. He has held diverse corporate director, chairman and lead director roles for a broad list of mining companies including Detour Gold, Taseko Mines, Energy Fuels, Gold Standard Ventures and Gold Resource Corporation. He is a chartered professional accountant (CPA, CA).

Transaction Details

The Transaction is expected to be completed by way of a three-cornered amalgamation under the provisions of the *Business Corporations Act* (British Columbia) whereby a wholly-owned subsidiary of Vega (“**SubCo**”), will amalgamate with Nations Acquisition Corp. (“**NationsCo**”), a wholly-owned subsidiary of the Nisga'a Nation formed to hold the Royalties prior to closing. All of the issued and outstanding common shares of SubCo and NationsCo following the amalgamation will be immediately exchanged for common shares of Vega on a one-for-one basis (the “**Consideration Shares**”). Closing of the Transaction is subject to a number of conditions being satisfied or waived by one or both of NationsCo and Vega including, without limitation, obtaining consents required for the assignment of the Royalties to NationsCo, completion of the Concurrent Financing (defined below) and the listing of the Nations Royalty shares on a stock exchange. Prior to closing of the Transaction, Vega will consolidate its shares on a 2:1 basis. The Consideration Shares and most of the currently existing Vega shares will be subject to voluntary pooling restrictions and will be released over a period of 36 months from completion of the Transaction.

NationsCo has been established for the purposes of holding the Royalties for the Transaction. NationsCo will have no other assets or material financial liabilities or obligations.

In connection with the Transaction, it is expected that Vega will change its name to “Nations Royalty Corp.”. Upon completion of the Transaction, assuming a Concurrent Financing (defined below) of \$10 million, it is expected that (i) the existing shareholders of Vega will hold approximately 15.9% of the Company's issued and outstanding shares; (ii) the Nisga'a Nation will hold approximately 76.5% of the

Company's issued and outstanding shares; and (iii) the investors in the Concurrent Financing (defined below) will hold approximately 7.6% of the Company's issued and outstanding shares.

There can be no assurance that the Transaction will be completed on the proposed terms or at all.

Concurrent Financing

Concurrently with, and as a condition to completion of the Transaction, SubCo will complete a private placement (the "**Concurrent Financing**") of not less than 11,111,111 subscription receipts (each, a "**Subscription Receipt**") at a price of \$0.90 per Subscription Receipt, for aggregate gross proceeds of at least \$10 million. All proceeds of the Concurrent Financing will be held in escrow pending satisfaction of the closing conditions to the Transaction. Upon satisfaction of the escrow conditions, immediately prior to completion of the Transaction, each Subscription Receipt will automatically convert into one common share of SubCo for no additional consideration and the shares of SubCo will immediately thereafter be exchanged for common shares of Vega on a one-for-one basis. It is anticipated that proceeds from the Concurrent Financing will be used for working capital and to fund Nations Royalty's growth strategy.

On behalf of the Nisga'a Nation

"Eva Clayton"
President

On behalf of the Board of Directors of Vega Mining Inc.

"Gordon Friesen"
CEO

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Cautionary Statement Regarding Forward-Looking Information

Except for the statements of historical fact, this news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. When used in this news release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words, or variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this news release include information relating to: the business plans of Vega and the Nisga'a Nation, the completion of the Transaction on the proposed terms or at all, the proposed benefits of the Transaction, the name of the Company upon completion of the Transaction, the Board of Directors and management of the Company upon completion of the Transaction, the completion and amount of the Concurrent Financing, the ability of the Company to obtain additional royalties or to partner with other First Nations or Indigenous Groups throughout the world and the intention of the Company to apply to list its shares on a stock exchange or market. Such forward-looking information is based on the Company's expectations, estimates and projections as at the date of this news release.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the potential inability of the Company to continue as a going concern, risks associated with potential governmental and/or regulatory action with respect to the Company's operations, the potential inability of the Company to implement its business plan going forward, failure to complete the Transaction, failure to achieve the proposed benefits of the Transaction, failure to obtain any required consents to assignment of the Royalties, the potential inability to complete the Concurrent Financing and the potential inability of the Company to have its shares listed on any stock exchange or market. Such statements and information reflect the current view of the Company and are based on information currently available to the Company. In connection with the forward-looking information contained in this news release, the Company has made assumptions about the Company's ability to complete the planned Transaction. The Company has also assumed that no significant events will occur outside the Company's normal course of business. 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.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, 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.

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