



FSX Enters into Definitive Agreement for Acquisition of WDR

VANCOUVER, BC, July 5, 2023 /CNW/ - Fosterville South Exploration Ltd. ("Fosterville South," "FSX," or the "Company") (TSXV: FSX) (OTCQX: FSXLF) (Germany: 4TU) is pleased to announce that, further to its news release dated April 19, 2023, it has entered into a definitive amalgamation agreement (the "Amalgamation Agreement") with 15103452 Canada Inc., a wholly-owned subsidiary of FSX ("FSX Sub"), and Wild Dog Resources Inc. ("WDR"), whereby FSX will acquire all of the issued and outstanding common shares of WDR ("WDR Shares") by means of a "three-cornered amalgamation" (the "Acquisition") whereby FSX Sub and WDR will amalgamate and continue as one company, as a wholly-owned subsidiary of FSX.



WDR owns and/or has the right to earn an interest in three (3) separate mineral properties located in Papua New Guinea ("PNG"): the Wild Dog Project, the Arau Project and the Kesar Creek Project (collectively, the "WDR Properties") through an Exploration License ("EL") and Exploration License Applications ("ELA").

Highlights:

- **2166 sq. km land position assembled via the acquisition of interests in a variety of EL and ELAs**
- **includes 614 sq. km project contiguous with and SE of K92 Mining Inc. exploration tenements**
- **includes 130 sq. km project contiguous with and NW of K92 Mining Inc. tenements, 10 km from mining operations**
- **PNG EL and ELAs will complement FSX's extensive gold land package in Australia**

Bryan Slusarchuk, CEO of FSX, stated, "We are pleased that the due diligence process has completed and that this has culminated in the execution of a definitive agreement. With a strong treasury and experienced technical team, we are in an excellent position to follow up on the solid work done by WDR to date, which has resulted in the definition of multiple high priority gold and copper drill targets. With a new name proposed, Great Pacific Gold Corp., to better reflect our regional focus we are also undergoing a rebranding initiative and look forward to the launch of our new website and related materials alongside a new trading symbol in the weeks ahead."

Terms of the Acquisition

Pursuant to the Amalgamation Agreement, in consideration of WDR:

- The shareholders of WDR (the "WDR Shareholders") immediately prior to the closing of the Acquisition (the "Closing") will receive an aggregate of approximately 16,161,441 common shares of FSX (the "Common Shares"), and each WDR Shareholder will receive one (1) Common Share for every 7.028 WDR Shares held (the "Exchange Ratio") (rounded down to the nearest whole number of Common Shares), subject to adjustment. The Exchange Ratio assumes 113,583,200 WDR Shares are outstanding immediately prior to Closing.
- The Common Shares issued to the WDR Shareholders will be subject to voluntary restrictions on resale, of which 33.3% of the Common Shares will not be subject to restrictions on resale, 33.3% of the Common Shares will be subject to restrictions on resale for a period of three (3) months following Closing and 33.4% of the Common Shares will be subject to restrictions on resale for a period of six (6) months following Closing.
- The warrant holders of WDR immediately prior to Closing (the "WDR Warrant holders") will receive an aggregate of

approximately 526,892 Common Share purchase warrants (the "Warrants"), and each WDR Warrantholder will receive Warrants exercisable to acquire such number of Common Shares as is equal to the number of WDR Shares issuable under each such WDR Share purchase warrant (a "WDR Warrant") previously held by such WDR Warrantholder multiplied by the Exchange Ratio (rounded down to the nearest whole number of Common Shares) at an exercise price per Common Share equal to the exercise price of such WDR Warrant per WDR Share divided by the Exchange Ratio until the expiry time of such WDR Warrant.

- The optionees of WDR immediately prior to Closing (the "WDR Optionees") will be granted an aggregate of approximately 1,553,679 stock options of FSX (the "Options"), and each WDR Optionee will be granted Options exercisable to acquire such number of Common Shares as is equal to the number of WDR Shares issuable under each such stock option of WDR (a "WDR Option") previously held by such WDR Optionee multiplied by the Exchange Ratio (rounded down to the nearest whole number of Common Shares) at an exercise price per Common Share equal to the exercise price of such WDR Option per WDR Share divided by the Exchange Ratio until the expiry time of such WDR Option.

Immediately prior to Closing, WDR will have a working capital of C\$1,000,000, excluding payments due prior to Closing under the agreements relating to the WDR Properties, payments made to satisfy all accrued fees and termination benefits under the executive compensation agreements and payments of corporate and legal costs in the ordinary course of business.

On Closing, FSX proposes to appoint Iain Martin, a director of WDR, as a director of FSX.

The Acquisition is subject to the approval of the WDR Shareholders, TSX Venture Exchange acceptance and the satisfaction of other customary conditions.

Information Concerning the WDR Properties

Figure 1. Papua New Guinea Project Location Map

The Wild Dog Project

The Wild Dog Project consists of two ELAs (ELA 2516 and ELA 2761) totalling 1424 sq. km, which are located on the island of New Britain and are approximately 50 km southwest of Rabaul and Kokopo, PNG.

The Wild Dog Project occurs within a major NNE trending structure of at least 26 km in length which transect apparent volcanic caldera structures and intrusions. During the Mio-Pliocene at least three volcanic centres, known as the Nengmutka, Keravat and Sikut calderas, were localised along this horst and graben zone. This structural corridor constitutes an epithermal and porphyry hydrothermal-magmatic mineralized field.

The Nengmutka Caldera, which hosts the Wild Dog deposit, is characterised by a suite of calc-alkaline andesite breccia and ash flow tuff known as the Nengmutka Volcanics (Lindley, 1988). This formation has been mapped over an area of 600 sq. km. Tonalite of the Arabam Diorite intrudes the volcanic sequence and appears to be partly coeval with the caldera related volcanism.

The precious metal prospects are associated with epithermal type veining that contain gold-silver-telluride (Au-Ag-Te) mineralisation. Gold and silver occur as native metals and as telluride minerals. Porphyry copper-gold type mineralization also occurs associated with these intrusion centres that usually underly the epithermal systems. The whole of the recognised belt is held within the Wild Dog tenements.

Within the central part of the Wild Dog project, a significant structural corridor called the "Wild Dog – Gunsap Corridor" occurs. The corridor is at least 15 km long and up to 4 km wide and hosts at least three porphyry copper-gold prospects and several epithermal gold deposits and prospects.

The original Wild Dog epithermal gold deposit occurs within the "Wild Dog – Gunsap Corridor" in the central part of the tenements. It was discovered in 1983, with exploration including extensive mapping, trenching, rock sampling and drilling between 1983 and 2005 by various explorers. New Guinea Gold Limited operated a small open pit mining operation from 2007 and 2011. No exploration has occurred since the closure of the mine.

Figure 2. Wild Dog Project Location and Tenements Maps

Historical work completed by a previous operator returned significant gold assays. Channel sampling at the Kavursuki Prospect yields 4m at 9.41 g/t Au and at the Kargalio Vein 6m at 11.5 g/t Au.

Drilling of the Kavursuki Prospect by previous explorers, located within the Wild Dog Zone and north of the former Wild Dog mine, also yielded positive high-grade results.

Table 1 – Kavursuki Prospect Significant Drill Intercepts

Hole ID	N	E	RL	Depth	Azim	Dip	From (m)	Length (m)	Au g/t	Cu ppm
90KV0005	9490500	395008	787	85.60	101.50	-45.00	5.35	1.25	12.80	1200
90KV0009	9490834	395227	758	93.85	101.50	-45.00	44.65	3.75	11.21	639
10KV0016	9490464	394971	798	51.00	101.50	-50.00	35.44	8.06	6.49	194
10KV0017	9490464	394970	798	50.00	101.50	-65.00	29.08	1.12	33.70	120
11KV0019	9490496	395039	807	45.10	101.50	-60.00	11.10	5.25	9.45	167
11KV0020	9490537	395045	805	50.90	101.50	-50.00	32.45	11.05	3.18	377
11KV0025	9490809	395241	752	45.20	101.50	-50.00	14.75	8.15	18.77	2801
11KV0026	9490810	395272	776	51.70	281.50	-60.00	33.80	5.10	14.70	101
11KV0027	9490870	395252	767	56.10	101.50	-50.00	30.70	1.90	10.35	46

Apart from the drilling conducted at the former Wild Dog gold mine there remain several drill intercepts that require further exploration outside of the mine environment as tabulated below, apart from the various trenching and channel sampling targets.

Table 2 – Wild Dog Prospect Area Significant Drill Intercepts

Hole ID	N	E	RL	Depth	Azim	Dip	From	Length	Au g/t	Cu ppm
86WDD020	9489141	394278	983	259.35	103.50	-60.00	129.35	7.70	5.28	902
87WDD024	9489117	394316	965	152.55	98.50	-60.00	138.25	5.10	8.32	8556
87WDD027	9489115	394325	965	200.40	98.50	-60.00	117.95	6.20	19.13	786
87WDD040A	9489219	394320	994	280.99	103.50	-60.00	148.60	4.20	12.50	4066
87WDD045	9489235	394287	988	300.20	103.50	-60.00	201.30	2.85	16.94	32123
87WDD051	9489249	394257	985	309.10	103.50	-60.00	253.95	6.05	7.29	2054
87WDD058	9489285	394359	977	285.90	101.50	-60.00	147.00	12.45	4.96	6694
87WDD064	9489179	394289	1001	290.60	101.50	-60.00	158.00	14.95	2.73	650
87WDD065	9489160	394330	996	250.10	101.50	-60.00	142.70	4.65	5.49	3246
87WDD069	9489139	394375	991	123.50	101.50	-60.00	88.55	7.75	7.12	7151
08WDD111	9489393	394513	906	100.00	281.50	-60.00	48.40	7.10	5.47	931
85WDD014	9488708	394260	954	86.20	113.50	-51.00	48.25	5.25	9.79	10863
86WDF010	9488839	394302	909	60.00	83.50	-60.00	34.00	6.00	6.71	5047
87WDD040A	9489219	394320	994	280.99	103.50	-60.00	164.55	13.50	8.56	3056
90WDD086	9488948	394337	890	79.00	78.50	-50.00	18.45	11.25	16.22	3473
97WDD098	9489389	394487	905	39.00	98.50	-45.00	12.00	8.00	9.73	NA*

NA* - not assayed or not available.

Table 3 – Mengmut Prospect Significant Drilling Intercepts

Hole ID	North	East	RL	Depth	Azim	Dip	From	Length	Au g/t	Cu ppm
MRC01	9487963	393871	968	20.00	0.00	-90.00	2.00	18.00	3.05	3084
MRC02	9487978	393874	971	30.00	0.00	-90.00	0.00	18.00	3.07	1053
90WDD087	9488091	394082	1021	61.95	101.50	-50.00	7.30	1.35	5.02	1650
90WDD088	9488104	394070	1023	40.30	101.50	-50.00	21.30	1.55	3.95	25
MMD003	9486870	393532	924	104.00	133.00	-50.00		2.35	4.42	NA*
MMD006	9486770	393479	945	122.05	133.00	-50.00		2.55	4.16	NA*

Additionally, multiple samples collected from a historic stockpile near the Wild Dog Zone returned bonanza grades of gold and copper including Sample 30104 which assayed 242 g/t Au, 601 g/t Ag, 9.52% Cu and Sample 68001 which assayed 122.5 g/t Au, 350 g/t Ag and 11% Cu.

Figure 3. NE-trending Wild Dog - Gunsap structural corridor strongly coincident with equidistant intrusives and caldera features.

Figure 4. Historic exploration data at Wild Dog Project.

The exploration program at the Wild Dog Project will initially focus on drilling the copper-gold Magiabe porphyry target as well as testing the potential existence of an arrowhead intrusion complex at depth beneath the Wild Dog zone (Figure 4).

Figure 5. Schematic section for Wild Dog Zone, illustrating location of potential "Arrowhead Intrusive Complex".

WDR has entered into the following agreements to acquire its interest in ELA 2516:

(A) Option agreement dated December 19, 2019, as amended on December 19, 2019 (the "Munga River Option Agreement"), between WDR and Munga River Ltd. ("Munga River").

Pursuant to the Munga River Option Agreement, WDR may acquire up to a 100% interest in ELA 2516 as follows:

- (i) an initial 80% interest in ELA 2516 (the "First Munga River Option"), once ELA 2516 is converted into an EL and renewed after its first two (2) year term; and
- (ii) up to an additional 20% interest (for an aggregate 100% interest) in ELA 2516 (the "Second Munga River Option"), by the later of (a) 6 years following the listing of WDR or its nominee (the "Listing") and (b) 18 months following the initial grant of EL 2516.

In order to maintain and exercise the First Munga River Option, WDR is required to pay and issue to Munga River:

- (i) C\$10,000 in cash within 15 business days following the execution of the Munga River Option Agreement (which amount has been paid);
- (ii) C\$2,500 in cash per month commencing the first month following the execution of the Munga River Option Agreement until the 72-month anniversary of the later of (a) the Listing and (b) the 18-month anniversary of the grant of ELA 2516;
- (iii) C\$3,500 in cash per month commencing on the date of grant of ELA 2516 until the listing of WDR (which payments will cease on Closing);
- (iv) C\$25,000 in cash within 20 business days following the grant of ELA 2516;
- (v) C\$275,000 in cash within 10 business days following the Listing;
- (vi) C\$550,000 in shares within 10 business days following the Listing at a price equal to the lesser of (a) the price of the last financing of WDR or its nominee prior to the Listing and (b) the Listing price;
- (vii) C\$250,000 in cash within 20 business days following the later of (a) the 36-month anniversary of the Listing and (b) the renewal of ELA 2516 (C\$20,000 of which has been paid); and
- (viii) C\$250,000 in shares within 30 business days following the later of (a) the 36-month anniversary of the Listing and (b) the renewal of ELA 2516.

In order to maintain and exercise the Second Munga River Option, WDR is required to pay and issue to Munga River:

- (i) C\$700,000 in cash within 30 business days following the 48-month anniversary of the Listing;
- (ii) C\$300,000 in shares within 30 business days following the 48-month anniversary of the Listing;
- (iii) C\$1,400,000 in cash within 40 business days following the 72-month anniversary of the Listing; and
- (iv) C\$600,000 in shares within 30 business days following the 72-month anniversary of the Listing.

Unless otherwise described, the shares described above will be issued at the volume weighted average price ("VWAP") for the 20 trading days immediately prior to the date of each such share issuance.

Upon WDR's exercise of the First Munga River Option, WDR will grant to Munga River (or pro rata to the shareholders of Munga River) a 2% net smelter return royalty in respect of ELA 2516 (the "Munga River Royalty"). WDR will have the right to acquire one-half (1/2) of the Munga River Royalty, being a 1% net smelter return, at any time prior to the commencement of commercial production with the payment and issuance by WDR of:

- (i) C\$625,000 in cash to Munga River; and
- (ii) C\$625,000 in shares to Munga River or its nominee at a price per share equal to the 30-day VWAP immediately prior to the date of commercial production,

within 30 business days following the commencement of commercial production.

Pursuant to or in connection with the Munga River Option Agreement, WDR will also pay and issue C\$150,000 in shares to Koiti Mel following the Listing at a price equal to the lesser of (a) the price of the most recent financing of WDR or its nominee prior to the Listing and (b) the Listing price.

(B) Agreement dated December 19, 2019 (the "Aphrodite Agreement") among WDR, EEPL and the trustee of the Aphrodite Trust ("Aphrodite").

WDR entered into the Aphrodite Agreement whereby Aphrodite agreed to withdraw all legal claims relating to its 10% interest in the Historic Tenements.

Pursuant to the Aphrodite Agreement, WDR is required to pay to Aphrodite:

- (i) C\$5,000 in cash within 15 business days following the execution of the Aphrodite Agreement (which amount has been paid);
- (ii) C\$10,000 in cash within 30 business days following the grant of ELA 2516;
- (iii) C\$112,500 in cash within 10 business days following the Listing;
- (iv) C\$122,500 in cash within 10 business days following the 12-month anniversary of the Listing; and
- (v) C\$10,000 in cash within 30 business days following the grant of the EL pursuant to ELA 2516.

(C) Agreement dated May 30, 2022 (the "NGGL Agreement") between WDR and NGGL (in liquidation).

WDR entered into the NGGL Agreement whereby NGGL agreed to withdraw all legal claims relating to the Historic Tenements.

Pursuant to the NGGL Agreement, WDR is required to pay and issue:

- (i) C\$50,000 in cash to NGGL's liquidator (the "NGGL Liquidator") (which amount has been paid);
- (ii) C\$75,000 in cash to the NGGL Liquidator within 10 business days following the notification of the lifting of a certain court injunction (which amount has been paid);
- (iii) C\$325,000 in cash to the NGGL Liquidator within 20 business days following the grant of the EL pursuant to ELA 2516;
- (iv) an aggregate of C\$400,000 in shares to the NGGL Liquidator (or such other parties as the NGGL Liquidator may designate) on the Listing date at the Listing price; and
- (v) K10,000 in cash to Warner Shand, in respect of legal costs, within 10 business days following the notification of the lifting of a certain court injunction or upon WDR receiving notification that the NGGL Liquidator has lodged the formal notice of termination of all legal claims by NGGL and has consented to the lifting of such injunction (which amount has been paid).

The Arau Project

The Arau Project consists of one EL (EL 2651) and one ELA (ELA 2715), located in the Kainantu region, Eastern Highlands Province, PNG, which are immediately east of and adjoining the Kainantu gold mine owned by K92 Mining Inc.

Initial exploration work by previous operators has identified two potential deposit types at the Arau Project:

- epithermal-high sulphidation gold (Sabudia Hill, Onga Hill and Erandora prospects) and
- copper-gold porphyry prospects (Mt. Victor, Mt. Aiyonka, Ebitara and P1 prospects).

Within the licence area, the Mt. Victor Prospect (copper-gold porphyry target) covers an area of 800m by 400m, and

previous drilling suggests that the prospect area is a multiple phase intrusive complex that is copper and gold mineralized. It is a drill ready prospect in which previous channel sampling has identified the following strong gold grades:

- 38m @ 2.64 g/t Au
- 12m @ 5.5 g/t Au
- 18m @ 2.4 g/t Au
- 10m @ 3.7 g/t Au.

These channel samples are in the central part of the Mt Victor prospect southwest of the former Mt Victor gold mine. Previous drilling was carried out in the 1980s, and all drillholes presented were vertical, which may not have been appropriate for the subvertical fault zones present within the prospect.

Table 4 – Mt Victor Prospect Significant Drill Intercepts

Hole ID	E'	N'	Depth (m)	From (m)	Length (m)	Au g/t	Cu ppm	Notes
CRD68	385177	9291680	64.5	0	64.5	0.18	106	granodiorite intruded by diorite
DDH89-1	384650	9291308	260	234	5	0.85	NA	visible disseminated copper mineralization
DDH89-2	384965	9291825	300	43	10	1.10	NA	under review
DDH89-3	384873	9291562	300	213	10	1.20	NA	under review
MVD07	384746	9291253	52.8	0	52.8	0.10	384	altered pyritic diorite
MVD08	384831	9291327	30	16	14	0.19	373	argillic altered QFP
MVD09	384853	9291333	36	34	2	0.29	NA	epidote altered intrusive
MVD20	384900	9291345	75	0	75	0.34	304	argillic altered brecciated porphyry
MVD21	384890	9291353	48	0	48	0.41	329	diorite/QFP brecciated contact
MVD36	385032	9291456	24	22	2	14.70	463	altered pyritic porphyry
MVD40	384994	9291435	38	0	38	3.10	1400	silica epidote altered porphyry
MVD46	384932	9291388	34.5	15	19.5	0.33	117	epidote pyrite altered porphyry
MVD50	385068	9291469	29	16	13	0.13	722	clay altered granodiorite
MVD52	384962	9291475	30	14	16	1.01	77	sericite epidote altered porphyry
MVD62	384704	9291152	75	40	35	0.12	287	kspar epidote altered porphyry
MVD63	384596	9291160	48	0	48	0.75	373	diorite intruded by pyritic porphyry

Initial drilling at the Arau Project will involve five angled diamond drill holes to follow up on a successful electromagnetic survey and previous excellent geochemical sampling results.

Figure 6. Mt Victor Prospect Map with proposed drill sites

WDR entered into a Share Purchase and Financing Agreement dated January 10, 2021 (the "Share Purchase and Financing Agreement") with Taha Sanduhu ("Sanduhu") and Ontaga Resources Ltd. ("Ontaga"), pursuant to which WDR may acquire up to an aggregate 85% interest in Ontaga, a PNG Company, which holds EL 2651 and ELA 2715.

Pursuant to the Share Purchase and Financing Agreement, WDR may acquire up to an 85% interest in Ontaga as follows:

- (i) an initial 25% interest in Ontaga (the "First Ontaga Option"), by paying to Sanduhu C\$150,000 in cash and paying K217,000 in cash for certain historical expenses and ongoing administrative expenses of Ontaga (which amounts have been paid); and
- (ii) an additional 60% interest in Ontaga (for an aggregate 85% interest in Ontaga) (the "Second Ontaga Option"), by paying to Sanduhu C\$390,000 in cash on or before the later of the renewal dates for EL 2651 and ELA 2715.

Upon WDR acquiring the First Ontaga Option, WDR will pay the following:

- (i) K28,000 in cash for annual accounting and administrative expenses (which amount has been paid);
- (ii) K1,500 in cash per week for other expenses over a period of 24 months (which amounts have been paid);
- (iii) K50,000 in cash towards the completion of a medical clinic located near the village of Arau and the employment of the services of a nurse during the 12 months following the completion of the First Ontaga Option (which amount has been paid);
- (iv) K50,000 in cash for employment services for the 24 months following the completion of the First Ontaga Option;
- (v) C\$30,000 in cash to Sanduhu within 30 business days following the completion of the First Ontaga Option (which amount has been paid); and
- (vi) C\$3,000 in cash to Sanduhu per month until completion of the Second Ontaga Option.

Upon WDR acquiring an 85% interest in Ontaga, WDR will be solely responsible for funding exploration activities and other expenditures at the Arau Project. However, Ontaga will be required to pay to WDR 80% of earnings or dividends that Sanduhu would be entitled to receive until such time as the amounts so received equal the aggregate amount of expenditures incurred by WDR that would have been payable by Sanduhu.

The Arau Project is subject to a 2% net smelter return royalty (the "Arau Royalty") in favour of TPS Consulting Pty Ltd ("TPS"). Ontaga may purchase from TPS one-half (1/2) of the Arau Royalty, being a 1% net smelter return, at any time, for C\$1,000,000 in cash.

The Kesar Creek Project

The Kesar Creek Project consists of one ELA, ELA 2711, and is located 10 km from the Kora gold deposit owned by

K92 Mining Inc.

Exploration at Kesar Creek has identified the presence of semi-massive copper sulphides associated in quartz veins paralleling the Kora gold deposit as well as the potential for a copper-gold porphyry deposit. Although limited exploration has been carried out at Kesar Creek, initial rock sampling programs returned high-grade gold-copper-silver values including:

- Rock sample no 14128 at 11.5 g/t Au
- Rock sample no A1428 at 11.9 g/t Au
- Rock sample no 9231F at 10.6 g/t Au
- Rock sample no 14236 at 11.6 g/t Au, 29 g/t Ag, 0.036% Cu and 20 ppm Mo
- Rock sample no. A14023 at 30.4 g/t Au, 240 g/t Ag, 0.13% Cu, and 24 ppm Mo

Figure 7. Historic exploration data at Kesar Creek project showing trench, soil and rock assay results with key geological features previously mapped by Highlands Gold Ltd. and Barrick PNG Ltd.

WDR entered into a project and investment agreement dated April 5, 2023 (the "Project and Investment Agreement") with Andy Thomas ("Thomas") and Yaendal Minerals Limited ("Yaendal"), pursuant to which WDR has agreed to acquire a 90% interest in Yaendal, a PNG company, which holds ELA 2711.

In order to earn a 90% interest in Yaendal, WDR is required to pay:

- (i) C\$5,000 in cash to Thomas' consulting company on or before the execution of the Project and Investment Agreement (which amount has been paid);
- (ii) C\$20,000 in cash to Thomas' consulting company on the business day following the execution of the Project and Investment Agreement (which amount has been paid);
- (i) C\$100,000 in cash to Yaendal's trust account on or before May 1, 2023 (which amount will be paid by WDR prior to Closing);
- (ii) C\$100,000 in cash to Thomas' consulting company on Closing;
- (iii) C\$100,000 in cash to Thomas' consulting company on or before the 12-month anniversary of Closing; and
- (iv) C\$100,000 in cash to Thomas' consulting company on or before the 24-month anniversary of Closing.

WDR will be solely responsible for funding exploration activities and other expenditures at the Kesar Creek Project. However, Yaendal will be required to pay to WDR 100% of the earnings or dividends that Thomas would be entitled to receive until such time as the amounts so received equal the aggregate amount of expenditures incurred by WDR that would have been payable by Thomas.

The Kesar Creek Project is subject to a 2% net smelter return royalty in favour of Thomas (the "Kesar Creek Royalty"). Yaendal may purchase from Thomas one-half (1/2) of the Kesar Creek Royalty, being a 1% net smelter return, at any time, for C\$1,500,000 in cash.

Pursuant to the Project and Investment Agreement, WDR will also issue and pay:

- (i) 4,500,000 WDR shares (or 640,295 FSX Shares) to Thomas or his nominee on the later of (a) May 31, 2023 and (b) within 20 business days following the grant of the EL pursuant to ELA 2711; and
- (ii) C\$5,000 in cash per month to Thomas' consulting company for a period of six (6) years following the execution of the Project and Investment Agreement (which payments have been made to date).

About FSX

Fosterville South began with two, 100% owned, high-grade gold projects called the Lauriston and Golden Mountain Projects, and has since acquired a large area of granted and application tenements containing further epizonal (low-temperature) high-grade gold mineralisation called the Providence Project and a large group of recently consolidated license tenement applications called the Walhalla Belt Project, which contains a variety of epizonal and intrusion related style gold mineralisation, all in the state of Victoria, Australia. The Fosterville South land package, assembled over a multi-year period, notably includes a 600 sq. km property immediately to the south of and within the same geological framework that hosts Agnico Eagle's Fosterville epizonal gold tenements. Additionally, Fosterville South has gold-focused projects called the Moornbool and Tallangalook, which are also located in the state of Victoria, Australia. Moornbool project has epizonal style gold mineralisation, and Tallangalook has mesozonal and intrusion related gold mineralisation.

All of FSX's properties, with the possible exception of Moornbool, have had historical gold production from hard rock sources despite limited modern exploration and drilling.

Recently, Fosterville South entered into an agreement with WDR to acquire a significant 2,166 sq. km mineral exploration land package in PNG (as described in the FSX News Release dated April 19, 2023).

The land package included in the acquisition comprises an EL and multiple ELAs. It includes both early-stage and advanced-stage exploration targets with high-grade epithermal vein and porphyry-style mineralisation present.

The Arau Project consists of one EL, EL 2651, and one ELA, ELA 2715, located in the Kainantu region, and includes the Mt. Victor Prospect, where previous drilling found multiple phase intrusive complexes of copper and gold mineralisation.

The Wild Dog Project consists of two ELAs, ELA 2516 and ELA 2761, located on the island of New Britain and about 50 km southwest of Rabaul and Kokopo, PNG.

The Kesar Creek Project consists of one ELA (ELA 2711), and is located 10 km west of the Kainantu Gold Mine owned and operated by K92 Mining Inc.

WDR has done significant work on various projects in the past two years, generating multiple high priority drill targets.

Qualified Person

The technical content of this news release has been reviewed, verified and approved by WDR director, Chris Muller, PGeo, a Qualified Person under the meaning of National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mr. Muller is responsible for the technical content of this news release and has spent time onsite reviewing sampling results as well as discussing work programs and results with geology personnel and external consultants.

On behalf of FSX
Rex Motton
Chief Operating Officer and Director

Forward-Looking Statements

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. Fosterville South cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by many material factors, many of which are beyond their respective control. Such factors include, among other things: risks and uncertainties relating to Fosterville South's limited operating history, its exploration and development activities on the Lauriston, Golden Mountain, Providence and Beechworth Properties and the need to comply with environmental and governmental regulations. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, Fosterville South does not undertake to publicly update or revise forward-looking information.

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