



# Fosterville South Exploration Provides a Letter to Shareholders

VANCOUVER, BC, Oct. 28, 2020 /CNW/ -

Dear Fellow Shareholders of Fosterville South Exploration Ltd.,

With gold equities volatile as of late, we thought an update to shareholders timely, to provide a recap on recently announced fundamental progress and providing detail on the upcoming spinout transaction involving the Avoca and Timor projects.

Firstly, our treasury and balance sheet are very strong, with approximately \$28.5 million cash on hand and no debt. This puts us in an excellent position to advance and accelerate work within the premier exploration land package in Victoria, now totalling close to 4,000 square km of tenements and tenement applications.

Currently, we are drilling at Golden Mountain (where we have announced multiple sets of lengthy high grade gold intercepts) and are targeting a near term start up of drilling at our Lauriston project which is a 600 sq km land holding adjacent to and contiguous with Kirkland Lake Gold's Fosterville tenements.

We have received a number of incoming questions as of late from shareholders and prospective shareholders with regards to the spinout of our Avoca and Timor projects so for clarity, we provide the following information about mechanics;

- **on November 13<sup>th</sup>, there is a meeting to approve the spinout transaction**
- **assuming success at that meeting, an Effective Date will be announced (estimated to be 5 business days post the meeting)**
- **every shareholder of Fosterville South on the Effective Date will receive one share of Leviathan Gold for every one share of Fosterville South they own on the Effective Date**
- **Leviathan Gold will close on the acquisition of the Avoca and Timor projects and conduct a financing (contemplated at \$0.50, and anticipated to have very strong demand) and target to commence trading on the TSX Venture Exchange within a few weeks of the Effective Date.**

Fosterville South went public on the back of the Lauriston, Golden Mountain and Providence projects. We attracted significant capital for exploration and advancement of these assets and attracted excellent support from some of Canada's most important institutional investors, some of the world's most successful mining entrepreneurs and the retail investment community.

Avoca and Timor, subsequently acquired, are exceptionally exciting projects and in the view of our technical team have significant enough high-grade upside that they ought to act as the foundation assets for a stand alone company with dedicated management, capital and marketing. This, in combination with the fact that the targets are different geologically from our core projects, gave us the motivation to conduct the spin out transaction.

## **Avoca**

The Avoca project is located approximately 183 kilometres west northwest of the Victorian state capital Melbourne, with good road access. The Avoca project occurs within the Stawell zone, west of the Bendigo and Melbourne zones.

Having previously been mined with a significant amount of gold production from both alluvial and hardrock high-grade sources (750,000 ounces of gold reported in historic production), Fosterville South considers the Avoca project is highly prospective for hardrock structurally controlled gold deposits. A number of major fault zones have been recognized that strike for several kilometres. Gold mineralization within the Stawell zone is generally base metal sulphide related, which Fosterville South sees as an opportunity for disseminated or fine-grained gold mineralization.

The significant hard rock historic mines within the Avoca licence include the high-grade:

- Pyrenees reefs -- 16,199 tons mined for 16,602 ounces of gold to 130 metres at an average recovered grade of 32 g/t gold, worked from 1860 to 1912;
- Excelsior reef -- 13,200 tons mined for 9,260 ounces of gold to 100 metres at an average recovered grade of 22 g/t

gold, worked from 1909 to 1915;

- Vale's reefs -- 1,444 tons mined for 1,388 ounces of gold to 52 metres at an average recovered grade of 29.4 g/t gold, worked from 1865 to 1883; and
- Monte Christo reefs -- 2,795 tons mined for 937 ounces of gold to 30 metres at an average recovered grade of 10.3 g/t gold, worked from 1872 to 1877.

The production noted above was obtained from State of Victoria Mining Surveyors and Registrar's quarterly reports from 1860 to 1891 and annual reports issued thereafter. All the production occurred within the Avoca licence.

## **Timor**

The Timor project occurs immediately east of the Avoca project and occurs within the Bendigo zone of the Lachlan fold belt.

The Timor project area contains numerous hardrock and alluvial gold deposits evidenced by significant historical workings. Historical alluvial production within the Timor project area is believed to have been in the region of 640,000 ounces of gold.

Around 20 hardrock workings can be considered to have been significant producers. These include the Leviathan group of mines, with recorded gold production of 56,474 ounces of gold from 189,085 tonnes, equating to a recovered grade of approximately 9.14 g/t gold. The Leviathan structural corridor hosts several parallel quartz veins with most of the production coming from one mine active in the early 1900s. Significant potential occurs within the various other veins and faults within the corridor to the north.

In addition, Shaw's reef produced 16,881 tons mined for 12,623 ounces of gold to 130 metres at an average recovered grade of 22.9 g/t gold, worked from 1883 to 1891.

The team advancing the projects will include Luke Norman as CEO (Luke has 20 years of capital markets experience in the mining industry. He also co-founded Gold Standard Ventures Corp., a TSX-V and NYSE Market listed gold exploration company and US Gold Corp., listed on the Nasdaq exchange. He is the Chairman of Silver One Resources, a silver pre-development and exploration company listed on the TSX-V); and Bob Schaefer (Bob has held executive and senior management positions with Hunter Dickinson Inc., Kinross Gold Corp., and BHP Minerals over the past 20 years. In addition, Bob is the Past-President of the PDAC and Past-President of the Canadian Institute of Mining and Metallurgy (CIM) in Canada. In addition, he is the 2020-21 President of the Society for Mining, Metallurgy and Exploration (SME) and a Past President of the Mining and Metallurgical Society of America and the Geological Society of Nevada in the USA).

We look forward to keeping you up to date as we progress on all fronts. Given our premier land package, our strong treasury, active and accelerating drill programs and the upcoming spinout transaction – we think there are multiple reasons that this is a very compelling time to consider Fosterville South Exploration Ltd.

Thank you for your support,

Bryan Slusarchuk

CEO, Fosterville South Exploration Inc.

## **Qualified Person**

The technical content of this news release has been reviewed, verified and approved by Rex Motton, P. Geo., COO and Director of Fosterville South; a qualified person as defined by NI 43-101.

## **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 the receipt approvals to complete the Spin-Out, the satisfaction of the conditions precedent to the completion of the Spin Out, exploration risk with respect to the Avoca and Timor Projects, Fosterville South's limited operating history, its proposed exploration and development activities on its Lauriston and Golden Mountain 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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