

Lions Bay Capital Announces Heads of Terms for Proposed Acquisition of Lions Bay Resources

Vancouver, British Columbia--(Newsfile Corp. - June 30, 2026) - Lions Bay Capital Inc. (TSXV: LBI) ("LBI" or "Lions Bay" or the "Company") is pleased to announce that it has entered into heads of terms dated June 22, 2026 (the "Heads of Terms") with Metals One Plc ("Metals One"), Salamander Consulting Group Limited ("Salamander" and together with Metals One the "Vendors"), Lions Bay Resources Proprietary Limited ("LBR"), Lions Bay Energy Proprietary Limited ("LBE") and Lions Bay Mining Proprietary Limited ("LBM") in respect of a proposed transaction pursuant to which Lions Bay would acquire 100% of the issued share capital of LBR (the "Proposed Transaction"). The Proposed Transaction is a non-Arm's Length Transaction under the policies of the TSX Venture Exchange (the "Exchange"), as Metals One is an insider of Lions Bay and would become the Company's controlling shareholder following completion.

Lions Bay currently owns 35% of LBR. Pursuant to the Heads of Terms, Lions Bay proposes to acquire the remaining interests in LBR through a share-for-share exchange, including the acquisition of Salamander's 35% interest in LBR, Metals One's 30% interest in LBR, and Metals One's existing option to acquire a further 19.99% interest in LBR (which, if exercised, would dilute the existing LBR shareholders). Upon completion of the Proposed Transaction, LBR would become a wholly owned subsidiary of Lions Bay.

The controlling shareholder of Salamander is Deon Robbertze, who holds approximately 55% of the issued shares of Salamander. Metals One is a publicly traded company and, to the knowledge of Lions Bay, has no shareholder that holds more than 20% of its issued shares.

LBR, through its subsidiaries, is expected to hold interests in certain South African mining assets and the co-generation plant in Newcastle owned by LBE.

LBR was incorporated under the laws of South Africa on May 15, 2025, and has been established to build an integrated South African gold and energy platform by acquiring and restarting the Barbrook/Vantage gold assets out of business rescue, while using its recently purchased KC Energy cogeneration assets to support lower-cost, more reliable power for the mining operations. Based on financial statements prepared as at May 31, 2026, which are unaudited, LBR had total assets of approximately US\$12.1 million, total liabilities of approximately US\$10.3 million, has not yet generated revenue and had a net loss of approximately US\$0.15 million for the five months ended May 31, 2026.

Proposed Transaction

The Proposed Transaction is expected to be completed by way of share exchange and related debt restructuring arrangements. The principal commercial terms contemplated by the Heads of Terms include the following:

- Lions Bay would acquire Salamander's 35% direct shareholding in LBR in consideration for the issuance of 35,000,000 common shares of Lions Bay;
- Lions Bay would acquire Metals One's 30% direct shareholding in LBR in consideration for the issuance of 30,000,000 common shares of Lions Bay;
- Lions Bay would acquire Metals One's option to acquire a further 19.99% of LBR, and Metals One would cancel or extinguish the related US\$5 million portion of debt associated with such option, in consideration for the issuance of 40,000,000 common shares of Lions Bay; and
- Lions Bay would issue 2,000,000 common shares to Metals One in respect of financing fees and legal costs. These shares may constitute a finder's fee and, accordingly, their issuance remains subject to Exchange acceptance and the Exchange's applicable finder's fee policies.

All consideration shares are expected to be issued at a deemed price of C\$0.35 per Lions Bay common share.

In connection with the Proposed Transaction, Lions Bay also expects to transfer 16,926,802 common shares of Fidelity Minerals Corp. currently held by Lions Bay to Metals One in partial repayment of the remaining Metals One debt. The balance of the remaining debt, expected to be approximately US\$2.3 million, would become a loan owing by LBR to Metals One on the same terms as the Metals One debt except for security and convertibility.

The Heads of Terms also contemplate that all debt currently outstanding at the Lions Bay parent-company level will be restructured and moved to LBR prior to or at closing, such that Lions Bay will have no outstanding third-party debt obligations at the parent-company level immediately following completion of the Proposed Transaction.

Reverse Takeover and Exchange Requirements

The Company expects that the Proposed Transaction will constitute a "reverse takeover" under the policies of the Exchange. Completion of the Proposed Transaction will therefore be subject to all applicable Exchange requirements, which may include, among other things, shareholder approval (including disinterested shareholder approval as required by the policies of the Exchange and/or applicable securities laws), escrow and resale restrictions, completion of a shareholder circular, technical reports or competent person's reports, and satisfaction of applicable initial listing requirements.

Following completion of the Proposed Transaction, the resulting issuer is expected to operate as a mineral exploration and development company focused on the gold mining sector, and is expected to be classified as a Tier 2 mining issuer under the policies of the Exchange.

Trading in the common shares of Lions Bay is expected to be halted in accordance with Exchange policies and is expected to remain halted until all applicable requirements of the Exchange have been satisfied.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and disinterested shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed 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 Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Lions Bay should be considered highly speculative. The Exchange has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this news release.

The Proposed Transaction is not an "Arm's Length Transaction" under the policies of the Exchange. Metals One currently holds 7,500,000 common shares and 3,750,000 warrants of Lions Bay and, based on the pro forma capital structure contemplated by the Heads of Terms, would hold approximately 54.3% of Lions Bay following completion.

The Proposed Transaction will be subject to disinterested shareholder approval, as it is not an Arm's Length Transaction under the policies of the Exchange.

Pro Forma Capital Structure

Lions Bay currently has 39,271,171 common shares issued and outstanding, 2,010,000 options exercisable at \$0.40 and 5,425,000 warrants exercisable at \$0.20 outstanding.

Following completion of the Proposed Transaction, Lions Bay is expected to have approximately 146.3 million common shares issued and outstanding, with the resulting ownership expected to be approximately as follows:

- Existing Lions Bay shareholders, excluding Metals One: approximately 31.8 million shares, representing approximately 21.7%;
- Metals One: approximately 79.5 million shares, representing approximately 54.3%; and
- Salamander: 35.0 million shares, representing approximately 23.9%.

Metals One currently owns 7,500,000 Lions Bay common shares and 3,750,000 warrants, which are included in the Metals One ownership figures shown above. To stay within the applicable stock exchange and regulatory limits, Metals One is expected to receive its new shares in stages so that it does not end up owning more than 50% of LBR or Lions Bay.

Board and Management

Following completion of the Proposed Transaction, the Lions Bay board is expected to include two new representatives, one nominated by Metals One and one nominated by Salamander. Subject to applicable Exchange requirements, Mr. Graham Briggs is expected to replace Mr. John Byrne, who is expected to retire from the board upon completion of the Proposed Transaction. Salamander has historically provided, and is expected to continue to provide, management services to Lions Bay following completion of the Proposed Transaction. An incentive arrangement in respect of such services is expected to be negotiated between Salamander and the Lions Bay board following completion of the Proposed Transaction, subject to compliance with applicable Exchange requirements and any required shareholder or regulatory approvals. No terms of any such arrangement have been agreed as of the date of this news release.

Further details regarding the Proposed Transaction, including the proposed board of directors and management of the resulting issuer, will be disclosed in due course by way of one or more subsequent news releases, in accordance with applicable Exchange requirements.

Conditions to Completion

Completion of the Proposed Transaction remains subject to a number of conditions, including, without limitation:

- execution of definitive transaction documentation;
- receipt of all required shareholder approvals;
- receipt of all required Exchange, regulatory and third-party approvals;
- granting of the required Section 11 approval under the South African Mineral and Petroleum Resources Development Act;
- completion and filing of all required technical reports, competent person's reports, shareholder circulars and other disclosure documents; and
- satisfaction of all other conditions customary for a transaction of this nature.

There can be no assurance that the Proposed Transaction will be completed on the terms contemplated by the Heads of Terms, or at all.

About Lions Bay Capital Inc.

Lions Bay Capital Inc. is a mining finance and investment company focused on unlocking the value of overlooked or underperforming resource assets, with a strategic emphasis on gold and copper. Unlike traditional exploration companies, Lions Bay raises capital to invest in compelling opportunities rather than deploying funds on high-risk exploration or excessive executive overhead. The company specializes in identifying resource projects that have been neglected due to lack of funding or poor management execution. By leveraging deep industry expertise, Lions Bay provides both capital and strategic support

to enhance project value and investor returns.

Lions Bay is led by Executive Chairman John Byrne, a veteran of the mining sector with over 50 years of experience as an analyst, investor, and operator. Under his leadership, the company brings a disciplined, value-driven approach to mining investment.

About Lions Bay Resources

Lions Bay Resources Proprietary Limited is a South African resource company focused on building an integrated gold and energy platform through the proposed acquisition and restart of the Barbrook/Vantage gold assets and the development of its KC Energy cogeneration assets. LBR's strategy is to unlock value from established mining infrastructure, including mining rights, underground and surface resources, plant, equipment, tailings and related permits, while using dedicated steam and power generation to support more reliable and cost-effective operations. The Barbrook assets include a 2015 historical resource estimate of approximately 2.06* million ounces of gold, and LBR's staged development plan contemplates production from tailings, opencast material, vamping and underground mining. LBR is positioned to pursue a disciplined restart strategy designed to generate mining cash flow, improve operating economics and create long-term value, subject to completion of the acquisition, required approvals, funding and other customary development risks.

Historical resource based on a Competent Persons' Report ("Report**") dated January 1, 2015, prepared by Minxcon Consulting (Pty) Limited and authored by D van Heerden. B.Eng. (Min. Eng.), M.Comm. (Bus. Admin.), ECSA, FSAIMM, AMMSA. The Report was prepared in compliance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (July 2009 Amended Edition) ("the SAMREC Code") and the South African Code for the Reporting of Mineral Asset Valuation (July 2009 Amended Edition) ("the SAMVAL Code") and Section 12 of the Johannesburg Stock Exchange listing requirements. Mineral resources that are not mineral reserves do not have demonstrated economic viability. **A qualified person has not done sufficient work to classify the historical estimate as current mineral resources and the Company is not treating the historical estimate as a current mineral resource.***

On behalf of the Board of Lions Bay.

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Disclaimer & Forward-Looking Statements: This news release includes "forward-looking statements" and "forward-looking information" within the meaning of Canadian securities laws and United States securities laws (together, "forward-looking statements"). All statements included in this news release, other than statements of historical fact, are forward-looking statements including, without limitation, statements with respect to the Proposed Transaction, the acquisition of LBR, the anticipated

debt restructuring arrangements, the expected issuance of Lions Bay common shares, the anticipated ownership of Lions Bay following completion of the Proposed Transaction, the expected treatment of the Metals One debt, the proposed staging of Metals One consideration shares and any related concurrent financing, the proposed board and management arrangements, the expected preparation and filing of shareholder circulars, technical reports, competent person's reports and valuations, the expected timing and receipt of shareholder, regulatory, Exchange and third-party approvals, and the Company's expectations regarding the completion of the Proposed Transaction.

Forward-looking statements are based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets in which the Company operates, are inherently subject to significant operational, economic, and competitive uncertainties, risks and contingencies. These include assumptions regarding, among other things, the execution of definitive documentation, receipt of required approvals, completion of required technical and financial due diligence, satisfaction of Exchange requirements, the availability of financing, and the ability of the parties to complete the Proposed Transaction on the terms contemplated by the Heads of Terms.

Risks and uncertainties that could cause actual results to differ materially include, without limitation: the parties may not negotiate or execute definitive documentation on the contemplated terms, or at all; the Proposed Transaction may not receive required shareholder, disinterested shareholder, Exchange, regulatory or third-party approvals, or satisfy applicable listing, sponsorship, escrow and resale requirements; the contemplated debt restructuring and treatment of the Metals One debt, and any staging of Metals One consideration shares or related concurrent financing, may not be completed or may be on different terms; the deemed share price, pro forma ownership and capital structure may change, and the Metals One option, if exercised, may dilute existing LBR shareholders; required technical reports, competent person's reports, valuations and LBR's financial results may differ materially from current expectations; the South African mining assets and the Newcastle co-generation plant are subject to operational, permitting, jurisdictional, environmental and commodity price risks; and general economic, market and financing conditions may adversely affect completion of the Proposed Transaction.

There can be no assurance that forward-looking statements will prove to be accurate and actual results, and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include those described under the heading "Risks and Uncertainties" in the Company's most recently filed MD&A, a copy of which is available under the Company's SEDAR+ profile at www.sedarplus.ca. The Company does not undertake to update or revise any forward-looking statements, except in accordance with applicable law.



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