

# KAL MINERALS INC.

(KAL-CSE)

FOR IMMEDIATE RELEASE

March 27, 2020

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## KAL ENTERS INTO AN AGREEMENT TO ACQUIRE 100% OF THE TARACHI PROJECT IN SONORA, MEXICO

Vancouver, British Columbia (March 27, 2020) – Kal Minerals Corp. (CSE: KAL) (“Kal” or the “Company”) is pleased to announce that it has entered into an option agreement whereby the Company has the right to acquire a 100% interest in the group of mining concessions known as the Tarachi project (“Tarachi”, or “the Project”) located in the Sierra Madre Gold Belt of Eastern Sonora, Mexico.

### Project Highlights

- Historic drilling has encountered very high grades of gold including:
  - **34.5 g/t Au over 5 metres**
  - **24.3 g/t Au over 3 metres**
  - **110 g/t Au over 1.32 metres**
- Tarachi lies in an established gold producing region, bordering Alamos’ Mulatos mine and Agnico Eagle’s La India mine
- Strategically located land package in the prolific Sierra Madre Gold Belt which has produced over 80Moz of gold and 4.5 Billion ounces of silver

*“I am very excited to announce the acquisition of the Tarachi project. This is a transformative acquisition and the Project has significant potential to deliver a large precious metals resource for shareholders. The high grades of gold we see at the Project, coupled with the proximity to infrastructure from two producing mines in the immediate area, provide a clear pathway to exploration success for Kal. We expect to begin exploration very soon.”* stated CEO Leighton Bocking

### Project Description

The Project consists of the San Javier, Pretoria, Chivitas, Jabali, Juliana, Texana and Tarachi concessions for a total of 2,560 hectares in the prolific Mulatos gold belt. The Project is approximately 220 km by air east of the City of Hermosillo, and 300 km south of the border between the United States of America and Mexico. The Jabali concessions include a past producing gold mine, consisting of 70 hectares only 6 km west from the "Mulatos" gold-and silver-producing heap-leach mine operated by Alamos Gold Inc. (“Alamos”).

The Jabali claim covers the La Dura historic mine and several other small-scale mines. The gold mineralization and geology at Jabali is believed to be similar in character to the gold mineralization at the Mulatos mine. Alamos Gold Inc., in a 2003 annual report identifies the Jabali project as being part of the "Los Bajios" mineralized trend which the report suggests has the potential to host another Mulatos size resource.

The Mulatos gold belt is part of the Sierra Madre gold and silver belt that also hosts the operating Mulatos gold mine immediately southeast of the La India property and the Pinos Altos mine and the Creston Mascota deposit 70 kilometres to the southeast.

Mineralization occurs within silicified rhyodacite and is associated with vuggy silica alteration, and breccia with iron oxide (hematite and specularite). Native gold occurs along late-stage fracture coatings in the breccias and is locally associated with barite. Past exploration has returned values from trace to 30g/t Au in grab samples. Native gold has also been identified in outcrop on the southern extension of the La Dura mine trend.

### **Deal Terms**

The Company has the right and option to acquire from Minerales de Tarachi de R.L. de C.V. an undivided 100% right, title and interest in and to the Project by making cash payments of an aggregate of \$5,000,000 to the Optionor, to be paid as follows:

- \$25,000 on the effective date of the option agreement (the "Effective Date")
- 75,000 due 5 days after the closing of the Company's next financing
- \$100,000 in cash on or before the first anniversary of the Effective Date
- \$100,000 in cash on or before the second anniversary of the Effective Date
- \$100,000 in cash on or before the third anniversary of the Effective Date
- \$4,600,000 in cash on or before the fourth anniversary of the Effective Date

In order to exercise the option, the Company must also issue a total of 5,000,000 Shares as follows:

- 1,250,000 Shares on the Effective Date;
- 1,250,000 Shares on or before the first anniversary of the Effective Date
- 1,250,000 Shares on or before the second anniversary of the Effective Date
- 1,250,000 Shares on or before the third anniversary of the Effective Date

### **Next Steps**

The Company will begin an initial work program to identify immediate drill targets with the goal of delineating a NI-43 101 compliant resource in the future. The Company's geological crew will be visiting the Project as soon as possible to prepare a technical report including work recommendations.

### **Finders Fee**

In conjunction with the transaction, the Company will pay a finder's fee of 5% to Rioro Mining Corp.

### **About the Tarachi Project**

Kal has an option to acquire 100% of a group of concessions in the Sierra Madre gold belt known as the Tarachi projects. The Project is approximately 220 kilometres ("km") by air east of the City of Hermosillo, and 300km south of the border between the United States of America and Mexico. The Tarachi projects include the El Jabali past producing gold mine, consisting of 70 hectares located in east Sonora in the

Mulatos gold belt. The property is located only six km west from Alamos Gold Inc.'s "Mulatos" gold-and silver-producing heap-leach mine.

### **Qualified Person**

Lorne Warner, P. Geo, a consultant of the company is a qualified person as defined by National Instrument 43-101, has reviewed and approved the scientific and technical disclosure in this news release.

**Contact Information:** For more information and to sign-up to the mailing list, please contact:

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### **SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS**

This news release includes certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" under applicable Canadian securities laws. When used in this news release, the words "anticipate", "believe", "estimate", "expect", "target", "plan", "forecast", "may", "would", "could", "schedule" and similar words or expressions, identify forward-looking statements or information. These forward-looking statements or information relate to, among other things: the exploration and development of the Project; future mineral exploration, development and production including the identification of a work program.

Forward-looking statements and forward-looking information relating to any future mineral production, liquidity, enhanced value and capital markets profile of Kal, future growth potential for Kal and its business, and future exploration plans are based on management's reasonable assumptions, estimates, expectations, analyses and opinions, which are based on management's experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances, but which may prove to be incorrect. Assumptions have been made regarding, among other things, the price of silver, gold and other metals; costs of exploration and development; the estimated costs of development of exploration projects; Kal's ability to operate in a safe and effective manner and its ability to obtain financing on reasonable terms.

These statements reflect Kal's respective current views with respect to future events and are necessarily based upon a number of other assumptions and estimates that, while considered reasonable by management, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements or forward-looking information and Kal has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: satisfaction or waiver of all applicable conditions to closing fluctuations in general macro-economic conditions; fluctuations in securities markets and the market price of Kal's common shares; and the factors identified under the caption "Risk Factors" in Kal's management discussion and analysis. Readers are cautioned against attributing undue certainty to forward-looking statements or forward-looking information. Although Kal has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be anticipated, estimated or intended. Kal does not intend, and does not assume any obligation, to update these forward-looking statements or

forward-looking information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements or information, other than as required by applicable law.