

Pinehurst Capital II Announces Signing of Definitive Agreement with Halcones Precious Metals Inc.

Toronto, Ontario — January 25, 2022 – Pinehurst Capital II Inc. (TSXV: PINH.P) (the “**Corporation**” or “**Pinehurst**”) has entered into an amalgamation agreement dated January 25, 2022 (the “**Definitive Agreement**”) with Halcones Precious Metals Inc. (“**Halcones**”), a private resource company incorporated under the laws of the Province of Ontario. Pursuant to the Definitive Agreement, Pinehurst and Halcones have agreed to complete a three-cornered amalgamation (the “**Transaction**”) pursuant to which Pinehurst intends to acquire all of the issued and outstanding common shares of Halcones (the “**Halcones Shares**”) in exchange for the issuance of common shares of Pinehurst (“**Pinehurst Shares**”). Please see the Corporation’s November 12, 2021 press release for additional details regarding the Transaction.

Following the completion of the Transaction, Pinehurst (the “**Resulting Issuer**”) will hold all of the assets of and continue the business of Halcones under the name “Pinehurst Precious Metals Corp.” (the “**Name Change**”). It is anticipated that the common shares of the Resulting Issuer will be listed for trading on the TSX Venture Exchange (the “**TSXV**”).

The Transaction

Pursuant to the Transaction, Halcones will amalgamate with 1000090101 Ontario Inc., a wholly-owned subsidiary of Pinehurst, under the *Business Corporations Act* (Ontario) and, in exchange for their Halcones Shares, the shareholders of Halcones shall receive post-Consolidation (as defined below) Pinehurst Shares on a 1:1 basis. The Transaction is not a Non-Arm's Length Transaction pursuant to the policies of the TSXV.

In connection with the Transaction, Halcones intends to complete a brokered offering of subscription receipts (the “**Subscription Receipt Offering**”). Further details in respect of the Subscription Receipt Offering will be provided in a subsequent news release.

Prior to Closing, Pinehurst intends to complete a consolidation (the “**Consolidation**”) of Pinehurst Shares on the basis of a deemed value of all of the issued and outstanding Pinehurst Shares (on an undiluted basis) of \$750,000 and a price per Halcones Share equal to the price per subscription receipt in the Subscription Receipt Offering. Further particulars regarding the Consolidation will be disclosed in subsequent news releases relating to the Transaction.

The completion of the Transaction is conditional upon, among other things; (i) receipt of all required regulatory approvals, including the approval of the TSXV and satisfaction of the initial listing requirements of the TSXV; (ii) Halcones shareholders approving the Transaction; (iii) completion of the Name Change; (iv) completion of the Consolidation; (v) delivery by Halcones of a National Instrument 43-101 compliant technical report in respect of the Carachapampa project; (vi) completion of the Subscription Receipt Financing; and (vii) meeting the other terms and conditions set forth in the Definitive Agreement. There can be no assurance that the Transaction will be completed as proposed or at all.

Approval of the Transaction by the Pinehurst Shareholders is not required under applicable corporate and securities laws, however, Pinehurst is required to convene and hold a Pinehurst Shareholder meeting to approve certain matters related to the Transaction such as the appointment of a new board of directors, Name Change, Consolidation and change in auditors. Pinehurst intends to call a meeting of its shareholders for the purposes of approving these matters. Pursuant to the provisions of the *Business Corporations Act* (Ontario), the Transaction requires the approval of the Halcones Shareholders.

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Information concerning Halcones, including the proposed directors of the Resulting Issuer, has been provided to the Corporation by Halcones for inclusion in this press release.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to Exchange Requirements (as that term is defined in the policies of the TSXV), majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the 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 Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

The securities referenced herein have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

Cautionary and Forward-Looking Statements

This press release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this press release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected” “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this press release, forward-looking statements relate, among other things, to: the completion of the Transaction and certain terms and conditions thereof; the completion of the Consolidation; the listing of common shares of the Resulting Issuer on the TSXV; the business of Halcones, information concerning the Carachapampa project, the commissioning of an updated NI 43-101 compliant technical report with respect to the Carachapampa project, the Subscription Receipt Financing; shareholder, director and regulatory approvals; and future press releases and disclosure. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive shareholder, director or regulatory approvals. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Except as required by law, Pinehurst assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.