

Pinehurst Capital II And Halcones Precious Metals Announce Closing of Subscription Receipt Offering

Toronto, Ontario — June 24, 2022 – Halcones Precious Metals Inc. ("**Halcones**") and Pinehurst Capital II Inc. (TSXV: PINH.P) ("**Pinehurst**") are pleased to announce that Halcones has closed its previously-announced brokered private placement (the "**Subscription Receipt Offering**") of subscription receipts (the "**Subscription Receipts**"). Under the Subscription Receipt Offering, Halcones issued an aggregate of 11,462,200 Subscription Receipts at a price of \$0.30 per Subscription Receipt (the "**Issue Price**") for gross proceeds of \$3,438,660. The Subscription Receipt Offering was completed pursuant to an agency agreement (the "**Agency Agreement**") dated June 24, 2022 among Halcones, Pinehurst, Clarus Securities Inc. (the "**Lead Agent**"), iA Private Wealth Inc. and Haywood Securities Inc. (collectively with the Lead Agent, the "**Agents**"). The Subscription Receipts are governed by the terms of a subscription receipt agreement dated June 24, 2022 and among Halcones, the Lead Agent and Computershare Trust Company of Canada ("**Computershare**") (the "**Subscription Receipt Agreement**").

As previously announced, on January 25, 2022, Halcones and Pinehurst entered into an amalgamation agreement, as amended on May 20, 2022 (the "**Amalgamation Agreement**") setting out the terms of the reverse take-over of Pinehurst by the shareholders of Halcones by way of a three-cornered amalgamation with a wholly-owned subsidiary of Pinehurst incorporated under the laws of the Province of Ontario (the "**RTO**"). Pinehurst, as the resulting issuer following the completion of the RTO (the "**Resulting Issuer**"), will continue the business of Halcones under the name "Pinehurst Precious Metals Corp." or such other name as determined by Halcones.

The gross proceeds from the sale of the Subscription Receipts, less the cash portion of the Agents' commission and Agents' expenses, are being held in escrow by Computershare in accordance with the Subscription Receipt Agreement and will be released to Halcones upon satisfaction and/or waiver of certain escrow release conditions (the "**Escrow Release Conditions**"), including completion of all conditions precedent to the RTO. If the Escrow Release Conditions are satisfied or waived on or before December 24, 2022 (subject to extension pursuant to the terms of the Subscription Receipt Agreement), the escrowed proceeds from the Subscription Receipt Offering will be released to Halcones. If the Escrow Release Conditions are not satisfied or waived by that date or the Amalgamation Agreement is terminated or Halcones announces to the public by way of press release, or advises the Lead Agent and Computershare in writing, that it does not intend to satisfy the Escrow Release Conditions in accordance with the Subscription Receipt Agreement, the gross proceeds and *pro rata* entitlement to interest earned on the escrowed proceeds will be paid to the holders of the Subscription Receipts. The Resulting Issuer intends to use the net proceeds from the Subscription Receipt Offering for (i) exploration of the Carachapampa project and (ii) general corporate and working capital purposes.

Each Subscription Receipt will, without any further consideration on the part of the subscriber, automatically convert on the satisfaction or waiver of the Escrow Release Conditions into one Halcones Common Share and one-half of one Halcones Warrant. Each Halcones Warrant will entitle the holder to purchase one Halcones Common Share at a price of \$0.40 per Halcones Common Share for a period of 24 months following the closing of the Subscription Receipt Offering. Each Halcones Common Share and each Halcones Warrant will be immediately exchanged for one common share of Pinehurst and one common share purchase warrant of Pinehurst (each on a post-Consolidation basis). Pursuant to the Amalgamation Agreement, prior to completing the RTO, Pinehurst common shares shall be consolidated on the basis of 0.4716981 post-consolidation Pinehurst common shares for each one pre-consolidation Pinehurst common share (the "**Consolidation**").

In connection with the Subscription Receipt Offering, Halcones paid the Agents a commission satisfied by an aggregate cash payment of \$245,706.20. As additional consideration, Halcones issued 802,354 broker warrants to the Agents, each entitling the Agents to purchase one Halcones Common Share (and subsequently one Resulting Issuer common share) at the Issue Price for a period of 24 months following the date of issuance of the Release Notice (as defined in the Agency Agreement).

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Cautionary Notes

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 Subscription Receipt Offering and certain terms and conditions thereof; the use of proceeds from the Subscription Receipt Offering, and corporate and regulatory approvals. 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, Halcones assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.

The TSXV has in no way passed upon the merits of the proposed 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.