



EMPRESS
RESOURCES



EMPRESS RESOURCES AND ALTO VENTURES ANNOUNCE POTENTIAL BUSINESS COMBINATION

February 4, 2020 – Vancouver, BC – Empress Resources Corp. (“**Empress**”) (TSX-V: EMPX) and Alto Ventures Ltd (“**Alto**”) (TSXV: ATV) are pleased to announce they have entered into a non-binding letter agreement (the “**LOI**”) for a proposed business combination (the “**Transaction**”).

Pursuant to the Transaction, Alto will acquire all the issued and outstanding common shares of Empress from their holders on the basis of one common share of Alto being exchanged for each common share of Empress. The combination of Alto and Empress will create a well-funded exploration-focused company (“**New Alto**”) which will hold the mineral properties currently held by Alto. Alto will undergo a 5:1 share consolidation effective upon closing of the Transaction.

As part of the Transaction, Empress will spin off a new company (“**New Empress**”) with each Empress shareholder receiving one share of New Empress for every Empress share held. New Empress will acquire up to ten royalties and marketable securities from Alto and in exchange, Alto shareholders will receive one share of New Empress for every Alto share held.

It is intended that each of New Alto and New Empress will undertake a concurrent financing to provide them with funds to finance their respective operations and, in the case of New Empress, to fund potential future royalty acquisitions (the “**New Alto Financing**” and the “**New Empress Financing**”, respectively). The concurrent financing will be offered to shareholders of Alto and Empress on a pro rata basis. The New Alto Financing will be a unit offering at a post-consolidation price of \$0.10 per unit with each unit consisting of one common share and one full warrant exercisable for one common share at a price of \$0.20 for a term of two years. Use of proceeds will be for exploration of New Alto’s mineral exploration properties.

The Transaction is subject to completion of due diligence by each of Empress and Alto, the successful negotiation of a binding definitive agreement of the Transaction (the “**Definitive Agreement**”), the approval of the Transaction by the Boards of Directors of each of Empress and Alto, and the approval of the TSX Venture Exchange. It is anticipated that the Transaction will be effected as a plan of arrangement under the *Business Corporations Act* (British Columbia), which will also require approval by the shareholders of Empress. The

parties have targeted mid February for the completion of diligence and the negotiation of the Definitive Agreement.

New Alto

- On completion of the Transaction (exclusive of any proceeds of the New Alto Financing), it is expected that New Alto will have approximately \$1,250,000 in cash and will have debts which do not exceed \$40,000.
- New Alto will hold all of the mineral properties held by Alto, including the Oxford Lake property in Manitoba, the Empress and Beardmore area properties in Ontario and the Destiny property in Quebec.
- New Alto's Board of Directors will consist of Duncan Gordon (Chairman), Richard Mazur, Jeremy Bond, David Rhodes, and Michael Bandrowski.
- Michael Bandrowski will also serve as CEO of New Alto. Mr. Bandrowski has over 15 years of capital markets and exploration experience on both domestic and international markets. Most recently he was Director, Mining Investment Banking at a Canadian bank where he focused on small and mid-cap mining companies. Previously, he was a mining research analyst covering precious and base metals. Mike has a B.Sc. (Geology), an MBA and has previously served on public and private company boards. Mr. Bandrowski has established a solid reputation in the mining and institutional investment community over the last 15 years.

New Empress

- On completion of the Transaction (exclusive of any proceeds of the New Empress Financing), it is expected that New Empress will have approximately \$250,000 in cash and will have no debt.
- New Empress will also acquire from Alto all of the royalties currently held by Alto plus some newly created royalties on Alto's properties and will hold a portfolio of up to ten royalties on properties in Ontario, Quebec and Manitoba.
- New Empress will also acquire a portfolio of marketable securities from Alto with an approximate value of \$250,000 as of the date of this news release.
- New Empress's Board of Directors will consist of Alexandra Woodyer Sherron, David Rhodes, Paul Mainwaring, Jeremy Bond, Richard Mazur, and an additional nominee of Alto.

Alexandra Woodyer Sherron will be the CEO of New Empress. Ms. Woodyer Sherron has over twenty years of experience in the mining industry. She started at PricewaterhouseCoopers before joining Endeavour Financial, a global mining finance advisory firm. During her investment banking career in London, Ms. Woodyer Sherron was

Director Structured Finance and was involved in the successful completion of over US\$1.5 billion in financing.

Other Terms

The LOI provides that it shall be a condition of closing the Transaction that New Empress will meet the TSX Venture Exchange's initial listing requirements for an Investment Issuer. Management of Empress (and if applicable, Alto) will sign voting support agreements to vote in favour of the Transaction and the parties will also seek voting support agreements from significant shareholders to support management for a minimum of two years.

Rick Mazur, CEO of Alto stated, *"The proposed business combination with Empress will revitalize Alto by giving it the funds it requires to advance its key exploration properties and, by placing our royalty assets in New Empress, Alto shareholders will participate in the growth of a well managed company dedicated to building a profitable royalty and streaming business. In addition, we have strengthened our management team with the appointment of Mike Bandrowski as CEO. I am excited to have Mike take New Alto in a direction that will enhance shareholder value."*

"New Empress will be an investment company focused on the royalties and streaming business," stated Alexandra Woodyer Sherron, CEO and President of Empress. *"The acquisition of royalties from Alto will provide New Empress with ten precious metal royalties on properties in Ontario, Quebec and Manitoba. This is the first step in building our business, and we look forward to growing New Empress as we pursue new opportunities in this sector. Empress shareholders will also share in the New Alto business, which provides exposure to an exciting exploration company."*

Further announcements will be made as Alto and Empress work towards finalizing the Definitive Agreement.

On behalf of Empress Resources Corp.

Per: Alexandra Woodyer Sherron

CEO and President

On behalf of Alto Ventures Ltd

Per: Richard Mazur

CEO

This news release contains statements about Empress' and Altos' expectations regarding the Transaction which are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although Empress and Alto believe that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include the inability of Empress and Alto to agree upon the terms of the Definitive Agreement, unsatisfactory results from the due diligence each of Empress and Alto is undertaking respecting the other,

failure of either Empress or Alto to obtain board approval for the transaction, or the Transaction not being approved by the shareholders of Empress or by the TSX Venture Exchange. The forward-looking statements contained in this news release are made as of the date hereof, and Empress undertakes no obligation to update publicly or revise any forward-looking statements or information, except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the accuracy or adequacy of this release.