



Skarb Enters into LOI to Acquire Victorian Gold Projects

Vancouver, BC, August 25, 2020 – Skarb Exploration Corp. (CSE: SKRB) (“**Skarb**” or the “**Company**”) is pleased to announce that it has entered into a letter of intent (“**LOI**”) dated August 23, 2020 with Petratherm Ltd. (“**Petratherm**”) (ASX: PTR) pursuant to which Skarb will acquire four gold projects located in Victoria, Australia (the “**Projects**”) from Petratherm (the “**Transaction**”). The Transaction will constitute a “fundamental change” of the Company within the meaning of the policies of the Canadian Securities Exchange Inc. (the “**CSE**”).

Transaction Highlights

- Acquisition of a large exploration land package in a prolific gold jurisdiction
- Assets located in proximity of Kirkland Lake Gold’s Fosterville Gold Mine and Fosterville South Exploration Limited’s exploration projects
- All share transaction to acquire assets in a region where staking claims is highly competitive
- Under-explored past producing assets with numerous exploration targets identified
- Fully permitted for exploration and ready to commence drilling

The Projects consist of the Yuengroon Gold Project, the Silver Spoon Gold Project, the Glenfine Gold Project Farm-In & Joint Venture and the Ballarat West Gold Project, all located in Victoria, Australia.

“I am very pleased to see Skarb take the next logical step in its evolution in becoming a significant gold exploration company with the addition of these assets in a highly prospective jurisdiction. With our seasoned exploration and mine management team and proposed capital raise allowing for an important exploration program to be undertaken on the back of previously completed work on these properties, we think that our chances of exploration success are strong. The team looks forward to commencing exploration work shortly.” commented Craig Parry, Chairman of Skarb.

The Project covers a large, 1,291 km², land tenure position, in the highly prospective and resurgent, Central Victorian Goldfields (Figure 1). Significant historic alluvial, deep lead and shallow high-grade gold reef mining has occurred on the tenements. Very little modern exploration or drilling has been undertaken on known high-grade reef systems and the portfolio includes large areas under shallow cover where no modern exploration has occurred. The shallow covered areas of Victoria are currently the subject of a major multi-company exploration push on the back of recent major discoveries such as at Four Eagles and Tandarra (reference Catalyst ASX: CYL, 08/08/2018 ASX release).

The Glenfine Project area includes drill ready step out testing of known high-grade reef gold, along with regional exploration drill testing of an anomalous gold trend associated with a basalt dome contact that extends for at least 20 km and which is considered to be in an analogous setting to the 5.2 Moz Stawell gold deposit. The reef drilling targets offer the opportunity to define initial gold resources in the near term.

Petratherm had identified several large gold pathfinder soil geochemical anomalies at its Yuengroon Project and mapped extensive shallow reef gold mining areas where historical mining in the late 1800’s only occurred to the top of the water table (approximately 20 metres depth). Almost no drill testing of these reef systems has occurred despite historic records showing many of the shallow reef operations produced gold

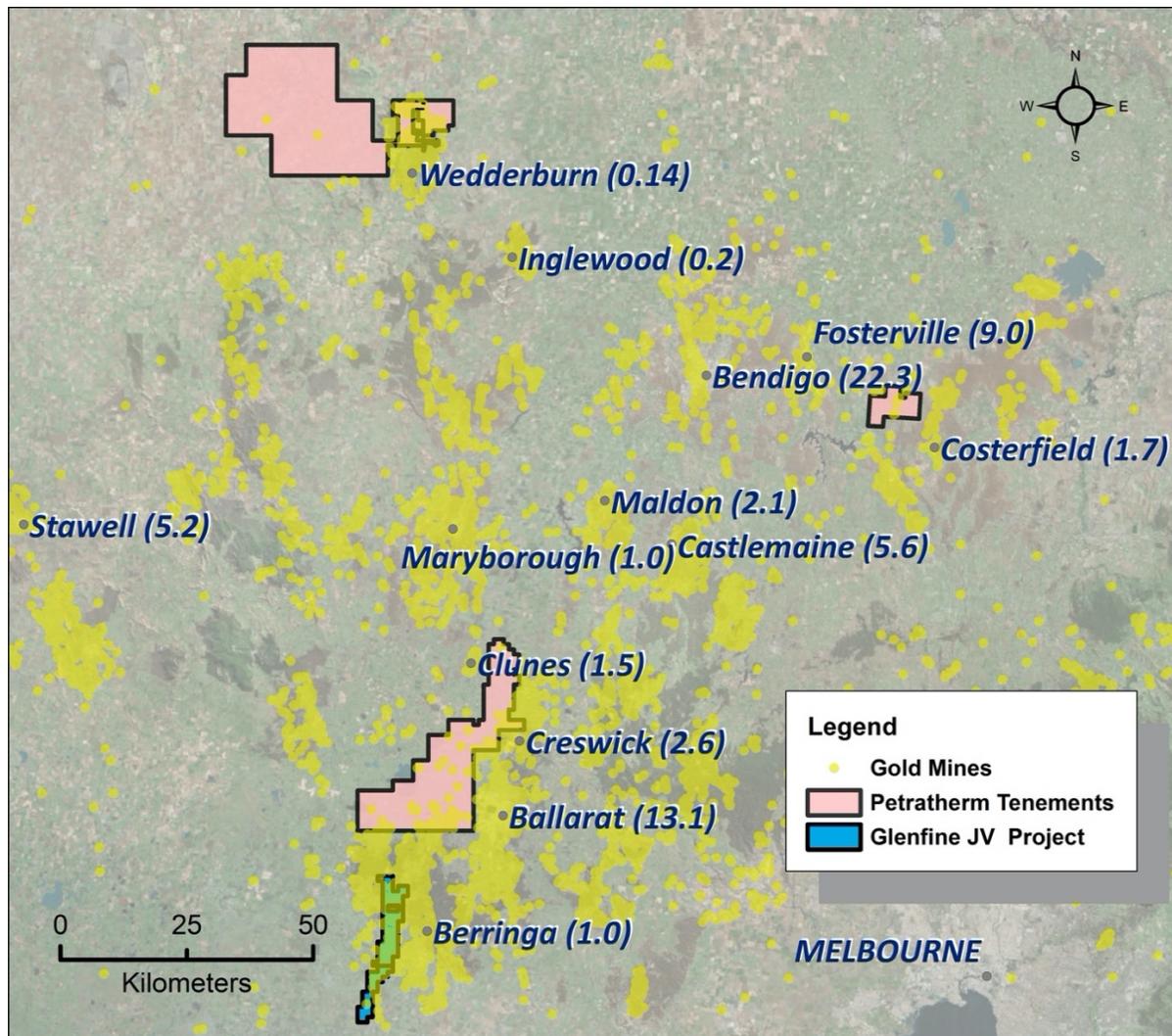
in excess of 30 g/t. Additionally, Yuengroon offers are large holding (approximately 600 km²) under shallow cover amenable to shallow RAB drill testing to locate new gold systems.

The Ballarat West licence application covers a 439 km² area over the Central Victorian Goldfields, between major historic mine production centres of Ballarat (13.1 million ounces), Creswick (2.6 million ounces), and Clunes (1.1 million ounces) (Source: Victorian State Government GeoVic database). The area includes several significant deep lead high-grade gold mine occurrences (some with over 100,000 oz of production) and mining records describe quartz reef development along the basement surface and pockets of associated coarse alluvial gold suggesting a close primary source for the gold.

The Silver Spoon Project abuts the highly contested North Central Victorian Goldfields Tender Area. The region is highly prospective given its proximity and similar geology to Kirkland Lake Gold's nearby world-class Fosterville Gold Mine and other significant regional discoveries. The area contains several historic gold and other mineral prospects in areas of outcrop along with shallow covered areas that have only been very lightly explored. The tenement application originally lodged in February 2019 is well advanced with granting expected late in 2020.

For further information, please refer to the Petratherm's June Quarterly 2020 Report (PTR ASX release 30/07/2020) for detailed project summaries, key exploration results and associated JORC referencing.

Figure 1 - Petratherm's Victorian Gold Projects and Major Mines (million ounces of historic mine production shown) (Source: Victorian State Government GeoVic database)



Transaction

Under the terms of the LOI, upon completion of the Transaction, Skarb will issue 100,000,000 common shares (the “**Petratherm Shares**”) to Petratherm on closing in consideration for the Projects. Within 125 days of completion of the Transaction, Petratherm will distribute the Consideration Shares in specie to its shareholders pro rata in accordance with their shareholdings in Petratherm.

The Transaction is an arm’s length transaction. Pursuant to the terms of the LOI, it is anticipated that the definitive agreement (the “**Definitive Agreement**”) in respect of the Transaction will be signed on or before October 15, 2020, at which time the Company will issue a comprehensive news release in respect of the Transaction.

Completion of the Transaction is subject to a number of conditions, including but not limited to the following key conditions:

- completion by the Company of a private placement for gross proceeds of not less than \$4,000,000;
- execution of the Definitive Agreement;
- completion of mutually satisfactory due diligence; and
- receipt of all required regulatory, corporate and third party approvals, including the approval of the CSE and the shareholders of the Company and the fulfillment of all applicable regulatory requirements and conditions necessary to complete the Transaction.

Shareholder Approval

Pursuant to the policies of the CSE, it is anticipated that the Company will call a special meeting of its shareholders for the purpose of approving, among other matters, the Transaction.

About Skarb Exploration

Skarb Exploration is a gold and base metals exploration company with a focus on gold and base metal prospects in B.C., Canada. The Company is exploring the Gossan and SBS properties in B.C. for gold mineralization whilst adding to its portfolio of prospective exploration projects across Canada. Skarb Exploration is led by a Board and Management team with a track record of success in exploration, development and operations of mining projects globally.

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Forward-Looking Information

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. Generally, forward-looking statements and information may be identified by the use of forward-looking terminology such as “plans”, “ expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. More particularly and without

limitation, this news release contains forward-looking statements and information concerning the Transaction. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific that contribute to the possibility that the predictions, estimates, forecasts, projections and other forward-looking statements will not occur. These assumptions, risks and uncertainties include, among other things, the assumption that the Company will receive the approval of its shareholders and the CSE in respect of the Transaction. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement. Factors that could cause the actual results to differ materially from those in the forward-looking statements include failure to obtain the final approval of the CSE, among other factors.

The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.

The CSE nor its market regulator does not accept responsibility for the adequacy or accuracy of this news release. The CSE has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.