

## **BOREAL COMPLETES THE ACQUISITION OF THE MODUM COBALT PROJECT**

**Vancouver, B.C., February 15, 2018.** Boreal Metals Corp. (“**Boreal**” or the “**Company**”) (TSXV:BMX) is pleased to announce that it has completed the acquisition of the Modum Project (“**Modum**” or the “**Project**”) from EMX Royalty Corporation (“**EMX**”) (NYSE American:EMX; TSXV:EMX). Pursuant to the terms of the purchase and sale, Boreal has issued to EMX 1,324,181 common shares of Boreal, which brings EMX’s equity ownership in Boreal to 19.9%. EMX will have the right to participate pro-rata in future financings at its own cost to maintain its 19.9% interest in Boreal. The TSX Venture Exchange has approved the transfer of the Modum exploration licenses from EMX to Boreal, subject to customary final filings.

*“The Modum acquisition provides Boreal’s investors with exposure to the rapidly expanding battery metals market,”* stated President and CEO, Karl Antonius. *“We continue our aggressive growth strategy with the Modum Project and additional regional acquisitions. Advancing high quality cobalt assets in Scandinavia is attractive in light of the recent advancement of the Northvolt battery factory in northern Sweden.”*

### **Cobalt and the Region**

Modum surrounds southern Norway’s historic Skuterud Mine (also known as the Modum Mine), which was Europe’s largest and highest-grade producer of cobalt through the nineteenth century<sup>1</sup>.

As demand for batteries drives a surge in the price of cobalt, the Democratic Republic of Congo (the “**DRC**”), which produces the majority of the world’s cobalt, is overhauling its mining regulations. The DRC has recently lifted a provision exempting license holders of compliance with the new code for 10 years, which means there will immediately be higher royalties on cobalt, as well as copper and gold, in addition to a new 50% tax on super profits.

### **Modum**

The 13,115 Ha Modum project is located approximately 75 kilometres west of Oslo, Norway. The Modum project is accessible year-round, with robust infrastructure including road, rail, power, and skilled labour in nearby municipalities. The Modum property position surrounds an inlier of exploration licenses held and explored by third parties that partially cover the historic

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Skuterud Mine. Historic mine workings, prospects and trends of mineralization extend onto the Boreal property.

The cobalt deposits in the Modum District are hosted in steeply dipping, north-south trending Mesoproterozoic sedimentary rocks known locally as “fahlbands”. These rocks are intruded by mafic and ultramafic rocks and contain widespread albitization and sulfide mineralization, similar to other cobalt deposits in the region. The most prominent of the sulfide-bearing fahlbands hosts the mineralization at Skuterud which can be tracked for 12 kilometres along strike with an average thickness of 100 to 200 meters. Mineralization in the fahlbands occurs as disseminated sulfides, sulfide replacement zones, sulfide-rich veins developed within shear zones, and as structurally controlled lenses that occupy fold hinges.

Cobalt mineralization was discovered at the Skuterud Mine in 1772 (also known as the Modum Mine), which is the type locality of the mineral Skuterudite ( $\text{CoAs}_3$ )<sup>1</sup>. Production from open pits commenced in 1776 but mining transitioned underground in 1827 and continued through 1898. It is estimated that the Skuterud Mine supplied over 80% of the world’s commercially produced cobalt in the 1820s and 1830s with some byproduct copper<sup>1</sup>. Sandstad et al., 2012 estimate a total production of approximately 1 Mt at 0.2% cobalt based on historical mining reports<sup>2</sup>. Copper (up to 1-2%) and locally gold (several ppm) were present in Modum ores, but there are no records for production of these elements<sup>1,2</sup>.

Only limited modern exploration has taken place at Modum. In 2013, an aeromagnetic geophysical survey (200m line spacing) covering the entire Boreal land position was commissioned by the Geological Survey of Norway (NGU). In 2016, a 1:100,000 scale geological map was published by the NGU. Drilling programs have been recently conducted on inlier claims that cover about 20% of the prospective strike length at Modum. However, much of the remaining strike length, including the extensions onto Boreal ground, has never been drill tested before. Importantly, gold is known to accompany the cobalt mineralization, and precious metal potential remains largely unassessed at this time.

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<sup>1</sup> Horneman, H.H., 1936, *Report on the cobalt mines at Modum, collected from different sources: Mining Archive Report BA 596, 17 p.* (Available from the Geological Survey of Norway in Trondheim.)

<sup>2</sup> Sandstad, J.S., Bjerkgård, T., Boyd, R., Ihlen, P., Korneliussen A., Nilsson, L. P., Often, M., Eilu, P. & Hallberg, A., 2012. *Metallogenic areas in Norway. Geological Survey of Finland, Special Paper 53, 35-138, 82 figures and 15 tables.*

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Reference to the adjacent Skuterud mine property provides context for the Modum Project, which occurs in a similar geological setting. However, this is not necessarily indicative that the Project hosts mineralization with similar tonnage or grade.

**About Boreal Metals Corp.**

Boreal is a mineral exploration company focused on the discovery of zinc, copper, silver, gold and cobalt deposits in exceptional, historical mining project areas spanning Sweden and Norway. The Company aims to discover new economic mineral deposits in known mining districts that have seen little or no modern exploration. The Company is led by an experienced management and technical team, with successful track records in mineral discovery, mining development and financing.

**Qualified Person**

Daniel MacNeil, P.Geol, a Qualified Person as defined by National Instrument 43-101, has read and approved all technical and scientific information related to the Modum project contained in this news release. Mr. MacNeil is Vice President Exploration for Boreal Metals Corp.

**On behalf of Boreal Metals Corporation**

Karl Antonius, President

For more information on Boreal please visit the Company website at [www.borealmetals.com](http://www.borealmetals.com) or contact Alexandra Woodyer Sherron at +1.604.922.8810 or [info@borealmetals.com](mailto:info@borealmetals.com).

*Neither 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 adequacy or accuracy of this release.*

**Cautionary Note Regarding Forward-Looking Statements**

This news release contains certain statements that may be deemed “forward-looking statements”. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Although Boreal Metals Corp. believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, are subject to risks and uncertainties, and actual results or realities may differ materially from those in the forward-looking statements. Such material risks and uncertainties include, but are not limited to, Boreal Metals Corp.’s ability to raise sufficient capital to maintain its mineral tenures and concessions in good standing, to explore and develop its projects, to repay its debt and for general working capital purposes; changes in economic conditions or financial markets; the ability of Boreal Metals Corp. to obtain the necessary permits and

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consents required to explore, drill and develop the projects and if obtained, to obtain such permits and consents in a timely fashion relative to Boreal Metals Corp.'s plans and business objectives for the projects; the general ability of Boreal Metals Corp. to drill test its projects and find mineral resources; if any mineral resources are discovered or acquired, the Company's ability to monetize any such mineral resources; and changes in environmental and other laws or regulations that could have an impact on the Company's operations. Forward-looking statements are based on the reasonable beliefs, estimates and opinions of Boreal Metals Corp.'s management on the date the statements are made. Except as required by law, Boreal Metals Corp. undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.