



## Private Placement Terms

(All amounts in Canadian Dollars unless indicated otherwise)

### Terms

|             |   |
|-------------|---|
| Seller      | Vendetta Mining Corp.                                       |
| Amount      | \$500,000   |
| Unit Price  | \$0.04  |
| Unit        | One Share and One 3-year Warrant with a \$0.06 strike price |
| Commission: | 7% cash or shares   |

### The Project

Vendetta's 100% owned Pegmont Lead Zinc Project is situated in the Mount Isa – McArthur Mineral Province, Australia which hosts one of the world's richest endowments of lead-zinc-silver mineralization, including several significant lead-zinc-silver mines.

The current Mineral Resource Estimate at the Project:

|           |  |
|-----------|--|
| Indicated | 5,758 Kt @ 6.5% Pb, 2.6% Zn, 11 g/t Ag |
| Inferred  | 8,277 Kt @ 5.1% Pb, 2.8% Zn, 8 g/t Ag  |

An initial Preliminary Economic Assessment ("PEA") on Pegmont were released by the Company in January 28, 2019. The PEA outlined a 10-year mine plan that generates a strong economic return with a (base case) pre-tax IRR of 32% (after tax 24%) and NPV<sub>8%</sub> of AU\$201M (AU\$128M after tax) using long term consensus metal prices of US\$0.91/lb lead, US\$1.09/lb zinc and US\$16.50/oz silver and a US\$:A\$ exchange rate of \$0.75.

Since the release of the PEA the Company has completed commercially available XRT material sorting test work with highly encouraging results. Also, an independent geological review of Zone 5 has also been completed which offered an alternative interpretation which greatly enhances the exploration potential in Zone 5. Zone 5 was not included in the PEA mining inventory.

The company gained grate insight through the 2019 PEA and intends to capture several opportunities in the next study update.

- updated long term consensus exchange rates ↑↑

- update using lower Australian Federal Corporate Taxes ↑
- updated CAPEX and OPEX from ore sorting and solar power offtake ↑
- addition of Zone 5 in mine plan, minimum additional 2 years ↑
- bring high grade BHZ forward in the mine schedule ↑
- grade boundary, expected slight increase in estimated grade ↑
- treatment and refining charges ↓
- long term consensus lead and zinc prices ≈

Specifically, the tasks to be conducted to advance to the next study include:

- Drilling to obtain samples for study level material sorting test work at Tomra (Zone 1 transition, Zone 1-3 sulphide and Zone 5 sulphide), **we expect a 20% reduction in mill and flotation plant size, we estimate \$9M CAPEX saving;**
- Complete metallurgical flotation tests on the sorted product, **we expect improved recoveries (≈2%) with higher head grades;**
- Drill several high priority exploration holes on **structural targets. Extensions of the high grade Bridge Zone and repetition of the entire Pegmont System on the basis of the new interpretation in Zone 5.**
- Complete solar power offtake study, we expect CAPEX and OPEX saving; **Currently 6.2 MW natural gas power generation CAPEX \$17.7M and annual OPEX \$9.1M.**
- Complete grade boundary geostatistical study, **we believe we use a very conservative grade boundary that results in a potential slight under estimation in grade;**
- Complete geo-metallurgical review of Transition material, possible reclassification of some transition to sulphide based on metallurgical performance rather than geological logging. **Reducing transition tonnes reduces perceived risk in early years.**
- Update the mineral resource estimate, with the above drilling and 22 holes previously not included in the last resource estimate. **23 holes were from BHZ, Zone 1 transition, and Zone 2/3 sulphide, of which 16 holes intersected high grades.**
- Heritage study over project area, to advance permitting.

If you would like to discuss the terms of the proposed transaction, please contact Michael Williams at (+1 604 484-7855).

Sincerely,

**VENDETTA MINING CORP.**

Per: \_\_\_\_\_

Michael Williams