



# REYNA SILVER

## REYNA SILVER ANNOUNCES SIGNING OF DEFINITIVE AGREEMENT TO COMBINE WITH REYNA GOLD AND BECOME A PREMIER EXPLORATION COMPANY

**August 7, 2024 – Vancouver and Hong Kong – Reyna Silver Corp.** (TSXV: RSLV; OTCQB: RSNVF; FRA: 4ZC) (“**Reyna Silver**”) is pleased to announce that it has entered into an arrangement agreement dated August 7, 2024 (the “**Agreement**”) with Reyna Gold Corp. (“**Reyna Gold**”), pursuant to which Reyna Silver has agreed to acquire all of the issued and outstanding common shares of Reyna Gold (the “**REYG Shares**”) by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) (the “**Transaction**”).

### Strategic Highlights and Benefits of the Transaction

- Consolidates Reyna Silver and Reyna Gold’s current joint option of the Gryphon Summit Project.
- Represents an opportunity for Reyna Silver to acquire and explore or monetize Reyna Gold’s attractive gold properties in Mexico.
- Creates a larger-scale entity with increased access to capital to enable the financing of continuing exploration of Reyna Silver and Reyna Gold’s combined exploration portfolio.
- Eliminates duplicate back end administrative and regulatory costs by eliminating one public issuer.
- The combined entity will be well capitalized to increase the value of its improved project portfolio, supported by its strong executive management team and Board of Directors.

The Transaction is an arm’s length transaction and provides REYG Shareholders with a premium of approximately 48% based on each company’s respective 20-day volume-weighted average price (“**VWAP**”). The Transaction positions the combined entity of Reyna Silver and Reyna Gold to become a leading significant silver-lead-zinc-copper exploration company with an expanded portfolio of prospective base and precious metals assets in the United States and Mexico.

“The proposed acquisition of Reyna Gold by Reyna Silver represents a significant opportunity for our companies and stakeholders alike,” [said Jorge Ramiro Monroy](#), CEO of Reyna Silver. “The resulting operational efficiencies, consolidation of management teams, and unification of vision make this move advantageous for our stakeholders. This move unlocks Reyna Silver’s ability to realize the full value of the Gryphon Summit Project, which is currently a joint venture between the two companies. The drill rig starts turning soon, and we look forward to delivering results to the newly unified stakeholders in the fall.”

Under the terms of the Agreement, each holder of REYG Shares (a “**REYG Shareholder**” and, collectively, the “**REYG Shareholders**”) will receive one (1) common share of Reyna Silver (a “**RSLV Share**”) for every three (3) REYG Shares held (the “**Consideration**”). The value of the Consideration represents an

approximate 48% premium to REYG Shareholders, based on the 20 day VWAP of the RSLV Shares and the REYG Shares as of August 2, 2024 on the TSX Venture Exchange (“**TSXV**”). Upon completion of the Transaction, REYG Shareholders will hold approximately 10% of the issued and outstanding RSLV Shares and existing RSLV Shareholders will hold approximately 90% of the issued and outstanding RSLV Shares, excluding any shares issued in connection with the Debt Conversion (as defined below).

As part of the Transaction, all outstanding options of Reyna Gold will vest immediately and be exchanged for the number of options to purchase RSLV Shares based on the exchange ratio outlined in the Agreement.

In connection with the Transaction, Reyna Gold will assign and Reyna Silver will assume all of Reyna Gold’s right, title, interest and obligations under the Property Option Agreement dated August 29, 2023 among Golden Gryphon USA Inc. (the “**Gryphon Option Agreement**”), Reyna Silver and Reyna Gold with respect to the Gryphon Summit Project.

In addition, it is expected that immediately prior to Transaction, up to \$117,000.00 in accrued amounts payable by Reyna Gold (including accrued amounts owing, directly or indirectly, to certain directors and officers of Reyna Gold for accrued directors’ fees and management fees) will be converted (the “**Debt Conversion**”) into REYG Shares at a price of \$0.05 per REYG Share. Further, all change of control payments payable to officers of Reyna Gold under executive compensation agreements will be waived in connection with the Transaction.

#### **Additional Details on the Transaction**

Completion of the Transaction will, among other things, require the approval of: (i) at least two-thirds of the votes cast by the REYG Shareholders; and (ii) if required, a simple majority of the votes cast by REYG Shareholders, excluding for this purpose the votes of “related parties” and “interested parties” and other votes required to be excluded under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, with all votes to occur at a special meeting of REYG Shareholders expected to take place in September 2024 (the “**Reyna Gold Meeting**”). No shareholder vote is required by RSLV Shareholders. The Agreement includes covenants typical for transactions of this nature, including non-solicitation covenants.

The Transaction is expected to close in September of 2024, subject to the satisfaction (or waiver) of a number of conditions precedent, including, but not limited to receipt of all regulatory approvals, including the approval of the Supreme Court of British Columbia and the TSXV, assignment of the Gryphon Option Agreement and completion of the Debt Conversions.

The Transaction has the full endorsement of both the boards of Reyna Gold and Reyna Silver upon the recommendation of a special committee of independent directors of each respective board with the mandate to evaluate the proposed transaction. Certain directors sit on the boards of both Reyna Silver and Reyna Gold and accordingly are not members of either special committee. The special committee of Reyna Gold has received advice from its advisors, and has reviewed a fairness opinion from Evans & Evans, Inc., and has unanimously determined that the Transaction is in the best interests of Reyna Gold and will recommend that REYG Shareholders vote in favour of the Transaction.

Full details of the Transaction will be included in the management information circular (the “**Circular**”) of Reyna Gold describing the matters to be considered at the Reyna Gold Meeting, which is expected to be mailed to the REYG Shareholders in August 2024. A copy of the Agreement is presently available, and a

copy of the Circular will be made available following its mailing, on the SEDAR+ profile of Reyna Gold at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Advisors**

Evans & Evans, Inc. has provided a fairness opinion to Reyna Gold in connection with the Transaction. Edwards, Kenny & Bray LLP is acting as legal counsel to Reyna Silver. Segev LLP is acting as legal counsel to the Reyna Gold special committee and Founders LLP is acting as legal counsel to the Reyna Silver special committee.

### **For Further Information, Please Contact:**

#### **Reyna Silver Corp.**

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#### **About Reyna Silver Corp.**

Reyna Silver is a growth-oriented junior exploration and development company. Reyna Silver focuses on exploring for high-grade, district-scale silver deposits in Mexico and the United States. In Nevada USA, Reyna Silver has entered into an option to acquire 70% of the 10,300-hectare **“Gryphon Summit Project”** in a 50/50 partnership with Reyna Gold. The Gryphon Project shows features indicating uniquely superimposed/overprinted Silver-Lead-Zinc-Copper Carbonate Replacement (CRD), Carlin Gold and Critical Metals mineralization. Also in Nevada, the Company is advancing its option to acquire 100% of the **“Medicine Springs Project”** where Reyna Silver is exploring a potentially significant Silver-Lead-Zinc-Copper CRD-skarn-Porphry system. Reyna Silver’s Mexican assets are 100% owned and include the **“Guigui Project”** and **“Batopilas Project”**, both located in Chihuahua State. The Guigui Project covers the interpreted source area for the Santa Eulalia Carbonate Replacement Deposit District and Batopilas covers most of Mexico’s historically highest-grade silver system.

#### **About Reyna Gold Corp.**

Reyna Gold is a gold exploration company focused on district-scale exploration. Reyna Gold has a portfolio of assets on the Mojave-Sonora Megashear and the Sierra Madre Gold in Mexico, and a joint option with Reyna Silver to acquire the 10,300-hectare combined Carlin-style and CRD Gryphon Summit Project in Eureka Co., Nevada, USA. Reyna Gold has an experienced management team with a proven track record of wealth creation through project discovery, advancement, and monetization.

### **Forward Looking Information**

Certain statements contained in this press release constitute forward-looking information under applicable Canadian, United States and other applicable securities laws, rules and regulations, including, without limitation, statements with respect to: the completion of the Transaction, the assignment of the Gryphon Option Agreement, the conditions to the completion of the Transaction that must be fulfilled, including approval of the Transaction by the REYG Shareholders, the timing receipt and anticipated effects of court, regulatory and other consents and approvals, and the anticipated benefits and advantages of the

Transaction. These statements relate to future events or future performance. The use of any of the words “could”, “intend”, “expect”, “believe”, “will”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward looking information and are based on Reyna Silver’s current beliefs or assumptions as to the outcome and timing of such future events. There can be no assurance that such statements will prove to be accurate, as Reyna Silver and Reyna Gold’s actual results and future events could differ materially from those anticipated in these forward-looking statements. Factors that could cause actual results and future events to differ materially from those anticipated in these forward-looking statements include, among others, risks related to failure to receive approval by REYG Shareholders, the required court, regulatory and other consents and approvals to effect the Transaction, the possibility that the Agreement could be terminated in certain circumstances, and the other risks factors set forth in the “Risk Factors” section in Reyna Silver’s latest management discussion and analysis dated May 30, 2024. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to Reyna Silver. The forward-looking information contained in this news release is made as of the date hereof and Reyna Silver undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

#### **Information About Each Company**

Information in this news release about Reyna Silver has been provided by, and is the responsibility of Reyna Silver. For further information about Reyna Silver, please refer to Reyna Silver’s filings with Canadian securities regulatory authorities under its issuer profile on SEDAR+. Information in this news release about Reyna Gold has been provided by, and is the responsibility of, Reyna Gold. For further information about Reyna Gold, please refer to Reyna Gold’s filings with Canadian securities regulatory authorities under its issuer profile on SEDAR+.

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