



FOR IMMEDIATE RELEASE

**CRYSTAL PEAK MINERALS PROVIDES
UPDATE ON FINANCIAL POSITION AND
ANNOUNCEMENT OF CORPORATE RESTRUCTURING**

Toronto, October 2, 2020 – Crystal Peak Minerals Inc. (Crystal Peak or the Company) (TSXV: CPM, OTCQB: CPMMF) today provided an update on the Company's financial position.

As noted in Crystal Peak's September 9, 2020 news release, the Company's cash balance has dropped below \$500,000 putting Crystal Peak in breach of the minimum cash balance covenant included as part of the convertible note agreement (**Loan**) with EMR Capital Investment (No. 5B) Pte. Ltd., an affiliate of EMR Capital Resources fund 1, LP (**EMR**). The Company has been unsuccessful in raising additional funds or selling assets to remedy the covenant breach or repay the Loan. Therefore, EMR has informed the Company that it will enforce its security provision under the Loan and intends to foreclose on the Company's shares of its wholly-owned subsidiary, Peak Minerals Inc. (**Peak Minerals**) in accordance with its rights.

In an attempt to preserve value for minority shareholders, Crystal Peak's board of directors (**Board**) has negotiated a restructuring agreement with EMR to satisfy in full the obligations under the Loan (the **Restructure**). Under this Restructure, EMR will foreclose on 100% of the shares of Peak Minerals, the operating subsidiary of Crystal Peak that holds the Sevier Playa Project. The Company expects that, unless there is valid objection to the EMR foreclosure, it will take effect in approximately 15 days.

EMR will also surrender 120.0 million shares that it owns in the Company, reducing its interest from approximately 61% to 36%. The Restructure will increase the ownership percentage for the remaining shareholders and improve the free float of the shares. In addition, two of EMR's Board nominees, Roderick Lyle and Donald Carroll, will resign from the Board upon enforcement. The key terms of the Restructure are outlined in the table below.

The Company believes that the Restructure will result in EMR assuming liabilities and that it will preserve value for existing shareholders that may not be otherwise available through other restructuring pathways. The Board believes the Restructure is in the best interests of all shareholders since it allows the listed Company to pursue a strategy to acquire a new project. Furthermore, Board members have not been paid quarterly remuneration for seven quarters and have agreed to waive those fees.

The Board will commence a process to identify and secure a new project. The current focus will be on the gold and base metals sectors given the renewed strong market sentiment and large number of projects being marketed. EMR has confirmed its intention to continue to support the Company with its strong network of potential projects across North and South America.

Restructure – Key Terms

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| <p>Voluntary Foreclosure</p> | <p>EMR will issue a Notice of Intention to Enforce Security pursuant to s.244 of the Bankruptcy and Insolvency Act (Canada) and a notice of acceptance of collateral under the <i>Personal Property Security Act</i> (Ontario) providing notice that it intends to accept the shares of Peak Minerals in full satisfaction of the Loan.</p> <p>Following completion of the Voluntary Foreclosure,</p> <ul style="list-style-type: none"> • EMR will be the sole shareholder of Peak Minerals (the operating subsidiary of the Company that controls the Sevier Playa Project) • the Loan Agreement will be satisfied in full • the Company will become a shell company with no material assets and no material liabilities, and • EMR will not disclaim any liabilities of Peak Minerals following the Voluntary Foreclosure, ensuring that the interests of local stakeholders will be protected. <p>The jurisdiction of the Voluntary Foreclosure will be Ontario.</p> |
| <p>Shell Company and Share Surrender</p> | <p>Following the Voluntary Foreclosure, the Company will continue as a shell company listed on the TSX Venture Exchange.</p> <p>EMR will surrender 120.0 million shares in the capital of the Company, which will reduce the number of issued and outstanding shares to approximately 178.2 million, of which approximately 63.3 million will be owned by EMR (approximately 36% of the shares outstanding).</p> |
| <p>EMR Board Nominees</p> | <p>Following enforcement, EMR Board Nominees Roderick Lyle and Donald Carroll will resign from the Board resulting in only Robert Curtis being an EMR appointee to the Board.</p> |
| <p>Timing</p> | <p>EMR will begin the Voluntary Foreclosure proceedings immediately and, absent any valid objection, the foreclosure is expected to take effect on or around October 17, 2020.</p> |

Entering the Restructure agreement with EMR constitutes a “related party transaction” as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions (MI 61-101)*. The shares of Peak Minerals that EMR will acquire as a result of the Restructure exceeds 25% of the Company’s market capitalization, and as a result the Restructure requires shareholder approval under MI 61-101. However, if the Company had not entered into the Restructure agreement, EMR could still enforce its rights pursuant to the Loan agreement and enforce its securities to take the Peak Mineral shares. The Company is of the view that it was important to enter into the Restructure agreement to clearly set out the terms by which the Loan obligations will be fully and finally satisfied and in return arrange for EMR to agree to surrender 120,000,000 common shares of the Company and allow the Company to move forward as a shell Company to source another transaction.

As a result, the Company is relying on the “Financial Hardship Exemption” set out in subsections 5.5(g) and 5.7(1)(e) of MI 61-101 from the minority approval requirements because the Company is in serious financial difficulty. The Company's Board and at least two-thirds of its independent directors have determined that: (i) the Company is in serious financial difficulty, and as a result is unable to pay the Loan, which EMR was unwilling to convert given the conversion price of the Loan is out of the money; (ii) the Restructure is designed to improve the financial position of the Company, as it will provide the Company with a release of the obligations under the Loan and allow the Company to move forward with some cash on hand to source another transaction for shareholders; and (iii) the terms of the transaction are reasonable in the circumstances, given that without the Restructure agreement EMR would have been entitled to all the cash balances and assets of the Company and would not have been obligated to surrender any common shares.

Messrs. Curtis, Carroll, and Lyle, who are directors of the Company, disclosed their interest in the Loan and the Restructure agreement and abstained from voting on the Board resolutions approving the Restructure agreement as a result of being EMR's non-independent nominees to the Board. This press release and corresponding material change report including the details with respect to the related party transaction has and will be filed less than 21 days prior to the announcement of the Restructure agreement. The Company deems this timing reasonable in the circumstances so as to be able to avail itself of the Restructure agreement in light of its default under the Loan in an expeditious manner and no other financing opportunity or alternative transaction being available to the Company.

For further information, please contact:

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Forward-Looking Information

This news release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to the breach of the minimum cash balance covenant in the convertible note with EMR Capital; the effectiveness of the Voluntary Foreclosure and the Restructure; and Crystal Peak's future business. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “is expected”, “expects” or “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes”, or variations of such words and phrases; or terms that state that certain actions, events, or results “may”, “could”, “would”, “might”, or “will be taken”, “could occur”, or “be achieved”. Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and is subject to known and unknown risks, uncertainties and other factors, including but not limited to, the inability to meet the covenant in the convertible note with EMR which may result in the loss of the Company's interest in the Sevier Playa project. Although Crystal Peak has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be

no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Crystal Peak does not undertake to update any forward-looking information, except in accordance with applicable securities laws.