

**PINEHURST CAPITAL II INC. AND HALCONES PRECIOUS METALS INC.  
ANNOUNCE SUBSCRIPTION RECEIPT OFFERING**

**Toronto, Ontario, April 5, 2022** – Pinehurst Capital II Inc. (TSXV: PINH.P) (“**Pinehurst**” or the “**Company**”) and Halcones Precious Metals Inc. (“**Halcones**”) are pleased to announce that Halcones has entered into an engagement letter (the “**Engagement Letter**”) with Clarus Securities Inc. (the “**Lead Agent**”) on behalf of a syndicate of agents including iA Private Wealth Inc. and Haywood Securities Inc. (collectively with the Lead Agent, the “**Agents**”) on a “best efforts” basis in connection with a proposed private placement offering (the “**Offering**”) of up to 15,000,000 subscription receipts (the “**Subscription Receipts**”) of Halcones at a price per Subscription Receipt of \$0.40 for aggregate gross proceeds of up to \$6,000,000. The Offering is being contemplated in connection with a proposed Qualifying Transaction between Pinehurst and Halcones in accordance with Policy 2.4 – Capital Pool Companies of the Corporate Finance Manual of the TSX Venture Exchange (the “**Qualifying Transaction**”) pursuant to an amalgamation agreement dated January 25, 2022 (the “**Amalgamation Agreement**”).

Each Subscription Receipt will, without any further consideration on the part of the subscriber, automatically convert on the satisfaction or waiver of all conditions precedent to the Qualifying Transaction and certain other ancillary conditions (the “**Escrow Release Conditions**”) into one common share of Halcones, which will be immediately exchanged for one common share of Pinehurst (on a post-Consolidation basis). Pursuant to the Amalgamation Agreement, prior to the Qualifying Transaction, Pinehurst common shares shall be consolidated on the basis of 0.3537735 post-consolidation Pinehurst common shares for each one pre-consolidation Pinehurst common share (the “**Consolidation**”).

Pursuant to the Engagement Letter, the Agents shall be (i) paid a commission (“**Agent’s Commission**”) equal to seven percent (7%) of the gross proceeds raised under the Offering; and (ii) issued broker warrants (“**Broker Warrants**”) equal in number to seven percent (7%) of the total number of Subscription Receipts sold to subscribers in the Offering. The Agent’s Commission, any Agent’s expenses and Broker Warrants shall be payable upon satisfaction of the closing of the Offering.

The proceeds of the Offering will be used by the Company for exploration of the Carachapampa project, general corporate and working capital purposes. The Offering is scheduled to close on or about April 28, 2022, and is subject to certain conditions including, but not limited to, the receipt of all necessary corporate and regulatory approvals. The securities to be issued under this Offering will be offered by way of private placement exemptions in all the provinces of Canada.

**For more information, please contact:**

<b>From Halcones Precious Metals Inc.</b> Lawrence Guy, Director p:416-930-7660 info@halconesresources.com	<b>From Pinehurst Capital II Inc.</b> David Rosenkrantz, Chief Executive Officer p:(416) 865-0123 drosenkrantz@patuca.ca
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## Cautionary Notes

*This press release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this press release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected” “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this press release, forward-looking statements relate, among other things, to: the Offering and certain terms and conditions thereof; the use of proceeds from the Offering, and corporate and regulatory approvals. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive shareholder, director or regulatory approvals. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Except as required by law, Halcones assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.*

***The TSXV has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.***

***The securities referenced herein have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.***