



CSE: TRG

## TARACHI GOLD CORP.

(CSE: TRG)

FOR IMMEDIATE RELEASE

January 12, 2021

### TARACHI PROVIDES REVIEW OF 2020 AND OUTLOOK FOR 2021

Vancouver, British Columbia (January 12, 2021) – Tarachi Gold Corp. (CSE: TRG) (PINK: TRGGF) (Frankfurt: 4RZ) (“Tarachi” or the “Company”) is pleased to provide shareholders with a recap of 2020 and outlook for what is to come in 2021.

Cameron Tymstra, President and CEO of Tarachi Gold, commented, “*This past year was one of foundation building for Tarachi. The Company secured two option agreements totalling 3,708 ha of highly prospective gold claims in the Sierra Madre belt of Sonora, Mexico and signed a letter of intent for the Magistral Mill and tailings with potential to transform the Company into a near term producer of gold. We raised significant capital to advance our projects and installed an experienced executive team to manage them. With our new solid foundation, 2021 is lining up to be an exciting year for the Company with many milestones on the horizon.*”

#### **Review of 2020 Accomplishments**

##### **Corporate**

- Successfully closed two private placements totalling more than **CAD\$11 million**, ensuring the Company is well financed to continue exploring on the Tarachi claims, advancing Magistral and pursuing additional projects in Mexico.
- Appointed a new cohort of experienced executives to the team including a new Chairman, CEO, CFO and VP of Exploration in December of 2020.
- Established strong relationships with business partners in Mexico, exposing Tarachi to new opportunities and enabling the Company to develop projects effectively.

##### **Projects**

###### *Tarachi Concessions*

- Signed two option agreements for the Tarachi Claims giving the Company access to 3,708 ha of highly prospective land in Sonora, Mexico. The claims are in the famous Sierra Madre gold belt proximal to Alamos Gold’s Mulatos Mine and Agnico Eagle’s Tarachi Deposit.

- The Company's exploration team conducted field work on both the North and South blocks of claims at Tarachi, identifying numerous high priority drill targets.
- Initiated a 5,000m drill program, completing 1,711.2 m before the end of the year.
- Encountered consistent gold values over considerable drill intervals at Tarachi South including **5.05 g/t Au over 20.75m and 4.54g/t Au over 21.0 meters** from the underground workings of the La Dura Mine where underground channel sampling also returned **6.34g/t Au over 62.55m**.
- Assays are still pending for ten drill holes completed in December.

#### *Magistral Plant and Tailings*

- Signed a letter of intent with Manto Resources for acquisition of the Magistral mill and tailings project ("Magistral") in Durango, Mexico.
- Consists of a **permitted 1,000 tpd mill** with a historic estimate of approximately **1.3Mt of tailings averaging 2.05g/t Au** (not 43-101 compliant).
- Provides Tarachi with a short pathway to gold production.

#### **Outlook for 2021**

- Receipt of pending drill assays from the La Dura Mine and Tarachi North Concessions.
- Follow up on the success of the 2020 exploration season with drill rigs returning to site in January to complete the 5,000m drilling program and providing drill results during Q1 and Q2.
- Closing of a purchase agreement for Magistral is expected in Q1.
- Sampling of the Magistral tailings material for metallurgical testing and initiating a Preliminary Economic Assessment with Ausenco Engineering. Work is expected to take 12-14 weeks to complete.
- Modifications and commissioning of Magistral plant planned for Q3 and Q4 pending PEA results.

Management will continue reviewing larger gold projects in Mexico with the goal of transforming Tarachi into a mid-tier gold producer.

Mr. Tymstra added, *"2020 was a unique year to operate in. Under the supervision of Lorne Warner, Tarachi's VP of Exploration, and with the help of our local partners, the Company was able to successfully implement its exploration program while applying rigorous COVID-19 safety measures. We will continue to operate under strict protocols to ensure the health and safety of our staff, contractors, and local community members."*

#### **Stock Option Grant**

The Company has granted stock options to directors, officers, employees and consultants of Tarachi, under the Company's stock option plan. An aggregate amount of 1,408,000 stock options have been granted with an exercise price of \$0.28 and will vest immediately. They are exercisable for a period of five years from the date of the grant and are subject to the policies of the Canadian Securities Exchange.

## **Qualified Person**

Lorne Warner, P.Geo, VP Exploration and Director of the Company is a qualified person as defined by National Instrument 43-101 and has reviewed and approved the scientific and technical disclosure in this news release.

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## **SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS**

This news release includes certain “Forward Looking Statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and “forward looking information” under applicable Canadian securities laws. When used in this news release, the words “anticipate”, “believe”, “estimate”, “expect”, “target”, “plan”, “forecast”, “may”, “would”, “could”, “schedule” and similar words or expressions, identify forward looking statements or information. Forward-looking statements include, but are not limited to, statements with respect to the matters under the heading “Outlook for 2021”.

Forward looking statements and forward looking information relating to any future mineral production, liquidity, enhanced value and capital markets profile of Tarachi, future growth potential for Tarachi and its business, and future exploration plans are based on management’s reasonable assumptions, estimates, expectations, analyses and opinions, which are based on management’s experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances, but which may prove to be incorrect. Assumptions have been made regarding, among other things, the price of silver, gold and other metals; costs of exploration and development; the estimated costs of development of exploration projects; Tarachi’s ability to operate in a safe and effective manner and its ability to obtain financing on reasonable terms.

These statements reflect Tarachi’s respective current views with respect to future events and are necessarily based upon a number of other assumptions and estimates that, while considered reasonable by management, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward looking statements or forward-looking information and Tarachi has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: satisfaction or waiver of all applicable conditions to closing fluctuations in general macroeconomic conditions; fluctuations in securities markets and the market price of Tarachi’s common shares; and the factors identified under the caption “Risk Factors” in Tarachi’s management discussion and analysis. Readers are cautioned against attributing undue certainty to forward looking statements or forward-looking information. Although Tarachi has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be anticipated, estimated or intended. Tarachi does not intend, and does not assume any obligation, to update these forward-looking statements or forward-looking information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements or information, other than as required by applicable law.