

ZTR ACQUISITION CORP.
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ZTR ENTERS INTO LETTER OF INTENT TO ACQUIRE FEDERAL GOLD

August 19, 2020 – Vancouver, British Columbia – ZTR Acquisition Corp. (the “**Company**”) (TSXV: ZTR.H) announces that it has entered into a letter of intent (the “**LOI**”) dated effective August 17, 2020 outlining the general terms and conditions with respect to the acquisition (the “**Acquisition**”) by the Company of all the issued and outstanding share capital of Federal Gold Corp. (“**Federal Gold**”).

The Company and Federal Gold are at arms-length, and the Acquisition will constitute a reverse-takeover of the Company in accordance with the policies of the TSX Venture Exchange (the “**Exchange**”). Assuming completion of the Acquisition, it is anticipated that the Company will be listed on the Exchange as a Tier 2 Mining Issuer.

Federal Gold is a widely-held private company which controls the rights to the Uchi, Iron Butte and Dorado and Cordillera mineral exploration projects located in the Province of Ontario, the State of Nevada and the Republic of Chile, respectively. Following completion of the Acquisition, it is anticipated that exploration and development of the Uchi and Dorado projects will be the primary focus of the Company.

Uchi Property (Ontario)

The Uchi property is located approximately 80 km east of Red Lake, Ontario in the Birch-Uchi greenstone belt. The western portion of the property is adjacent to the past-producing South Bay Cu-Zn-Ag mine. The eastern portion of the property is adjacent to the past-producing Uchi Au mine. The property, which covers an area of 5,232 hectares represents a regional exploration opportunity in a greenstone belt with known zones of significant mineralization, but which remains relatively underexplored.

Iron Butte Property (Nevada)

The Iron Butte Property is located 60 km south of Battle Mountain, Nevada. The property, which covers an area of approximately 200 hectares features a well-defined bulk-tonnage epithermal gold and silver system which outcrops at surface. Federal Gold has an option to acquire the property by making a series of staged cash and share payments totalling US\$1,572,750 over six years and arranging for the issuance of 187,500 common shares of the Company to the optionor.

Dorado Property (Chile)

The Dorado property is located in the Maricunga region of Chile, approximately 135 km east of Copiapo. The property, which covers an area of 1,600 hectares is reported to feature a significant but poorly defined gold-rich porphyry system which outcrops at surface. Additionally, the property is reported to be host to significant zones of hydrothermal alteration at surface, that have not been explored or drilled.

Cordillera (Chile)

The Cordillera property is located in the Maricunga region of Chile, approximately 100 km east of Copiapo. The property, which covers an area of approximately 1,680 hectares, is located 7 km south of the Maricunga Mine, formerly operated by Kinross, and 3 km north of the Caspiche Deposit, now being developed by the Norte Abierto Joint Venture between Barrick and Newmont. The Cordillera property is an early stage property prospective for porphyry gold and epithermal gold style mineralization which has not been adequately explored.

Terms of the Acquisition

Federal Gold is a privately held company existing under the laws of the Province of British Columbia. Federal Gold currently has 35,187,000 common shares ("**Federal Gold Shares**") issued and outstanding. Selected financial information on Federal Gold will be disclosed when available.

Under the terms of the Acquisition, shareholders of Federal Gold will be issued common shares of the Company (the "**Consideration Shares**") in exchange for their Federal Gold Shares on a one-for-one basis. This will result in the issuance of 35,187,000 Consideration Shares based on the current capital structure of Federal Gold. Certain of the Consideration Shares will be subject to escrow pursuant to the policies of the Exchange, in addition to pooling restrictions that may be negotiated by the parties.

In connection with completion of the Acquisition, it is anticipated that the Company will change its name to "Angold Resources Ltd." and will adopt the ticker symbol "AAU".

Concurrent Financing

As a condition to completing the Acquisition, the parties intend to complete a non-brokered private placement financing (the "**Concurrent Financing**") to raise up to \$7,500,000 through the issuance of up to 18,750,000 subscription receipts of Federal Gold at a price of \$0.40 per subscription receipt. The proceeds of the Financing will be held in escrow, pending the Company receiving all applicable regulatory approvals and completing the Acquisition. Upon satisfaction of the escrow conditions, immediately prior to completion of the Acquisition, each subscription receipt will automatically convert into one common share of Federal Gold for no additional consideration and will be exchanged for Consideration Shares on a one-for-one basis. If the Acquisition is not completed on or before December 31, 2020, the Concurrent Financing proceeds will be returned to the subscribers. Finder's fees may be payable to arm's length parties who introduce subscribers to the Concurrent Financing, in accordance with the policies of the Exchange.

Board of Directors and Management Changes

On completion of the proposed Acquisition, the Company's board of directors and management team will be reconstituted to consist individuals to be mutually agree between the Company and Federal Gold, including the individuals listed below. Information on additional board and management appointments will be disclosed when available.

Adrian Rothwell, President, Chief Executive Officer and Director

Mining industry entrepreneur and executive for over 25 years. President, Chief Executive Officer and Director of Lucky Minerals Inc. since September 16, 2019, Director and Chair of the Audit Committee on Fireweed Zinc Ltd. since February 14, 2017 and Director of KORE Mining Ltd. since October 30, 2018 (and founder in February 2016), formerly the President and Chief Executive Officer of KORE Mining Ltd. Adrian is both a British Columbia Chartered Professional Accountant and a member of the Institute of Chartered Accountants of Australia and New Zealand. He holds a Bachelor of Economics from Macquarie University.

Galen McNamara, Director

Entrepreneur and geologist with extensive discovery and capital markets experience over nearly 15 years. Co-winner 2018 PDAC Bill Dennis “Prospector of the Year” Award for the Arrow uranium deposit and 2016 Mines and Money Exploration Award. Chief Executive Officer and Director of Summa Silver Corp. since May 8, 2020. Galen holds MSc and BSc degrees in geology from Laurentian University.

Brandon Bonifacio, Director

Mining executive with expertise in project development, mergers and acquisitions and over 10 years of experience. Formerly finance director of the Norte Abierto Joint Venture (Cerro Casale/Caspiche) in the Maricunga Region, Chile and member of the corporate development team at Newmont Corporation (former Goldcorp Inc.). Brandon holds a MASc – Mining Engineering and MBA from the University of Nevada, Reno and a BComm from the University of British Columbia.

Rony Zimmerman, Director

Natural Resources Attorney qualified in Chile and Canada, with a focus on mining projects and capital markets. Rony is a 13 year partner at a major Chilean law firm and was ranked in Chambers and Partners, “Who’s Who Mining Legal 500 Best Lawyers and Latin Lawyer”. He is the former Co-President of Natural Resources Committee - International Section of American Bar Association.

Shareholder Approval

Approval of the shareholders of the Company will not be required in connection with the Acquisition, in accordance with Exchange Policy 5.2, as the Acquisition is not a related party transaction and no other circumstances exist which may comprise the independence of the Company or other interested parties. The Company is without active operations, is not subject to a cease trade order or trading suspension, and shareholder approval is not required for the Acquisition under applicable corporate or securities laws.

Sponsorship

Sponsorship of the Acquisition is required by Exchange Policy 2.2, unless an exemption from the sponsorship requirement is available. The Company will be seeking a waiver of any requirement for a sponsor in connection with the Acquisition.

Further Information

Closing of the Acquisition is subject to a number of conditions including the satisfactory completion of due diligence, the negotiation and entering into of definitive agreements, the completion of the Concurrent Financing, receipt of all required shareholder, regulatory and third-party consents, including Exchange approval, and satisfaction of other customary closing conditions. The Acquisition and Concurrent Financing cannot close until the required approvals are obtained. There can be no assurance that the Acquisition and Concurrent Financing will be completed as proposed or at all. Except in connection with the Concurrent Financing, no finders' fees or commissions are payable in connection with completion of the Acquisition, and no advances or loans to Federal Gold are contemplated prior to completion of the Acquisition.

In connection with the Acquisition, the Company has commissioned geological reports on the Uchi and Dorado properties (collectively, the "**Geological Reports**"), which are intended to be the primary focus of the Company following completion of the Acquisition. Prior to completion of the Acquisition, copies of the Geological Reports will be filed and posted on SEDAR. Further information on the Acquisition will be available and posted on SEDAR upon completion of a filing statement that will be prepared by the Company.

Trading in the common shares of the Company will remain halted pending further filings with the Exchange.

On Behalf of the Board of Directors,

ZTR ACQUISITION CORP.

Martin Bajic, Chief Executive Officer
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The TSX Venture Exchange has in no way passed upon the merits of the proposed Acquisition and has neither approved nor disapproved the contents of this press release. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Completion of the Acquisition is subject to a number of conditions, including but not limited to Exchange acceptance and shareholder approval, if applicable. The Acquisition and Concurrent Financing cannot be completed until such approvals are obtained. There can be no assurance that the Acquisition will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Acquisition, any information released or received with respect to the Acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

Statements included in this announcement, including statements concerning our plans, intentions and expectations, which are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements". Forward-looking statements may be identified by words including "anticipates", "believes", "intends", "estimates", "expects" and similar expressions. The Company cautions readers that forward-looking statements, including without limitation those relating to the Company's future operations and business prospects, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements.