

ELTON RESOURCES ANNOUNCES SUBSCRIPTION RECEIPT FINANCING AND ENGAGEMENT OF EIGHT CAPITAL AND CANACCORD

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Vancouver, British Columbia, October 16, 2024 – Drummond Ventures Corp. (TSXV: DVX.P) (the “**Corporation**” or “**Drummond**”) is pleased to announce that in connection with the Corporation’s previously announced qualifying transaction (the “**Proposed Transaction**”) with Elton Resources Corp. (“**Elton**”), Elton has engaged Eight Capital and Canaccord Genuity Corp. (the “**Co-Lead Agents**”) as co-lead agents and joint bookrunners in connection with a brokered private placement subscription receipt financing (the “**Financing**”), with a syndicate of agents that includes SCP Resource Finance (together with the Co-Lead Agents, the “**Agents**”).

The Financing shall comprise of a private placement of a combination of: (1) subscription receipts of Elton (“**NFT Subscription Receipts**”) at a price per NFT Subscription Receipt of \$0.25; and (2) subscription receipts of Elton (“**FT Subscription Receipts**”) and, together with the NFT Subscription Receipts, the “**Subscription Receipts**”) at a price per FT Subscription Receipt of \$0.35, for aggregate gross proceeds of a minimum of \$10,000,000 and a maximum of \$15,000,000.

In connection with the Financing, Elton has also granted the Agents an option (the “**Agents’ Option**”) to increase the size of the Financing by up to 15% in any combination of NFT Subscription Receipts and FT Subscription Receipts, which Agents’ Option shall be exercisable in whole or in part at any time for a period of up to 48 hours prior to the closing of the Financing.

Each NFT Subscription Receipt will automatically convert into one common share in the capital of Elton (an “**Elton Share**”) and each FT Subscription Receipt will automatically convert into one Elton Share that qualifies as a “flow-through share” (together with the Elton Shares underlying the NFT Subscription Receipts, the “**Subscription Receipt Shares**”) pursuant to the *Income Tax Act (Canada)* (the “**Tax Act**”) in each case, upon satisfaction of certain escrow release conditions (the “**Escrow Release Conditions**”), subject to adjustment in certain events, at no additional cost to the holder as described in a subscription receipt agreement to be entered into by the parties (the “**Subscription Receipt Agreement**”). Each Subscription Receipt Share received by holders of the Subscription Receipts shall then be converted into one share of the resulting issuer from the Proposed Transaction (the “**Resulting Issuer**”) at the closing of the Proposed Transaction.

The gross proceeds of the Financing will be deposited in escrow at closing of the Financing pending the satisfaction of the Escrow Release Conditions. If either: (i) the Escrow Release Conditions are not satisfied on or before December 31, 2024, or such other escrow release deadline to be stipulated in the Subscription Receipt Agreement (the “**Escrow Release Deadline**”); or (ii) prior to such Escrow Release Deadline, Drummond and/or Elton advises the Agents or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Subscription Receipts will be cancelled and the escrowed funds shall be returned to the holders of the Subscription Receipts in accordance with the terms of the Subscription Receipt Agreement.

In connection with the Financing and upon satisfaction of the Escrow Release Conditions, the Agents will be paid a cash commission equal to 7.0% of the gross proceeds raised under the Financing and be issued such number of Elton Share purchase warrants (the “**Agents’ Warrants**”) as is equal to 7.0% of the Subscription Receipts sold under the Financing. Each Agents’ Warrant will entitle the holder to acquire an Elton Share at an exercise price of \$0.25 for a period of twenty-four months following the date the Escrow Release Conditions are satisfied.

Subject to the receipt of all requisite regulatory, stock exchange and third party approvals, the Financing is expected to be completed on or about November 15, 2024 or such other date to be determined between Elton and the Co-Lead Agents.

Elton intends to use the net proceeds from the Financing capital expenditure related to the exploration drilling at the mineral properties of Elton, and for working capital and general corporate purposes.

Subject to the conversion of the FT Subscription Receipts in accordance with their terms, Elton agrees and covenants, pursuant to the provisions in the Tax Act, that it will, in the case of the Elton Shares issued upon conversion of the FT Subscription Receipts, incur eligible “Canadian exploration expenses” which qualifies as “flow-through critical mining expenditures” within the meaning of the Tax Act (the “**Qualifying Expenditures**”) after the closing date and on or prior to December 31, 2025 in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue of FT Subscription Receipts. Subject to the conversion of the FT Subscription Receipts in accordance with their terms, Elton shall renounce the Qualifying Expenditures so incurred to the purchasers of FT Subscription Receipts effective on or prior to December 31, 2024.

Prior to the closing of the Proposed Transaction, it is anticipated that the Corporation will complete a stock split in respect of its issued and outstanding common shares on a 2:1 basis such that, immediately following the split, there shall be 10.25 million post-split common shares issued and outstanding. Additionally, all outstanding incentive stock options of Drummond shall be surrendered for cancellation without any consideration.

For more information in connection with the Proposed Transaction, please see the news release of Drummond dated September 9, 2024.

About Drummond Ventures Corp.

Drummond was incorporated under the *Business Corporations Act* (British Columbia) on March 28, 2018, and is a capital pool company (as such term is defined in Policy 2.4 – *Capital Pool Companies* of the TSX Venture Exchange (the “**Exchange**”)) listed on the Exchange. Drummond has no commercial operations and no assets other than cash.

About Elton Resources Corp.

Elton is a mining exploration company focused on the exploration and development of the Darnley Bay project in Northwest Territories, Canada. For more information, please visit www.eltonresources.com.

Further Information

For further information, please contact:

Drummond Ventures Corp.
Suite 3200, 733 Seymour Street
Vancouver, British Columbia V6B 0S6
Canada

Contact: Craig Rollins
Telephone: 778-945-3948

Elton Resources Corp.
c/o 1066 West Hastings Street, Suite 2600
Vancouver, British Columbia V6E 3X1
Canada

Contact: Carson Phillips
Telephone: 604-657-5871

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

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. Not for distribution to U.S. newswire services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to the Exchange acceptance and, if applicable pursuant to the Exchange requirements, majority of the minority shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

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

The Exchange has in no way passed upon the merits of the Proposed Transaction and has not approved or disapproved of the contents of this news release.

Cautionary Note Regarding Forward-Looking Information

This press release contains statements which constitute “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Drummond and Elton with respect to future business activities and operating performance. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes information regarding: expectations regarding Elton’s and the Resulting Issuer’s capitalization, whether the Proposed Transaction will be consummated and whether the Financing will be completed, including whether conditions to the consummation of the Proposed Transaction will be satisfied and whether the Financing will be fully subscribed and whether the conversion of the Subscription Receipts will occur prior to the Escrow Release Deadline, the ability of the Resulting Issuer to carry out its exploration activities and incur and renounce exploration expenditures, or the timing for completing the Proposed Transaction and Financing.

Readers are cautioned that forward-looking information is not based on historical facts but instead reflect management of Drummond and Elton’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Drummond and Elton believe that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to consummate the Proposed Transaction and/or Financing and to cause the conversion of the Subscription Receipts prior to the applicable deadlines; the ability of Elton meet its obligations under its material agreements; the ability to obtain requisite regulatory and other approvals and the satisfaction of other conditions to the consummation of the Proposed Transaction and/or Financing on the proposed terms and schedule; the potential impact of the announcement or consummation of the Proposed Transaction and/or Financing on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; the ability of the Resulting Issuer and Elton to carry out its exploration activities as currently contemplated; compliance with extensive government regulation; and the diversion of management time on the Proposed Transaction and/or Financing. This forward-looking information may be affected by risks and uncertainties in the business of Drummond and Elton and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Drummond and Elton have attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Drummond and Elton do not intend, and do not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.