

Elim Mining Completes US\$19.1 Million Financing and Finalizes the Acquisition of the Cactus Mine, Arizona

Casa Grande, AZ, - July 13, 2020 - Elim Mining Incorporated (“Elim” or the “Company”), a private copper exploration and development company, is pleased to announce the completion of a three part financing package with the Tembo Capital group (“Tembo”) and Resource Capital Funds (“RCF”) (collectively, the “the Investors”) for aggregate proceeds of US\$19.1 million. The Company is currently focused on the acquisition, exploration, and development of copper projects in central Arizona.

Highlights of the Financing Package include (78.5% Tembo; 21.5% RCF):

- US\$5.1 million Equity financing (the “Equity”)
- US\$8.9 million loan (the “Loan”)
- US\$5.1 million sale of a 1.27% NSR Royalty (the “Royalty”)
- Post Transaction Equity Ownership of Elim Mining:
 - o Tembo acquires 26,666,667 (32.01%) common shares of Elim Mining at closing
 - o RCF acquires 7,288,893 common shares to increase its ownership to 14.15% of the company at closing
- This is covered below in details of the equity financing. The Investors Rights Agreement executed between the parties provides Tembo and RCF with certain pre-emptive rights of participation in future financings
- Use of Proceeds:
 - o Elim Mining will finalize the 100% acquisition of the Cactus Mine
 - o Continue drilling at Cactus West and East orebodies to report a Mineral Resource Estimate and Preliminary Economic Assessment by Q2 2021
 - o Initiate an Exploration program at the Parks/Salyer Target
 - o General working capital

John Antwi, Elim Mining President and CEO commented, “Elim Mining’s continued strong relationship with RCF and the development of a new partnership with Tembo is a coveted position for most junior mining companies. RCF and Tembo’s history of supporting high-quality projects is a testament to the value proposition of the Cactus Mine. With this financing in place, the Company is positioned to safely resume drilling under strict health and safety protocols to advance the project. We are well underway to revitalizing this world-class porphyry copper system in mining-friendly Arizona.”

Financing Package Details*Equity*

- The Company issued 33,955,560 units at \$0.15 for gross proceeds of US\$5.1 million. Each unit consisted of one common share and three-quarters of a warrant. Each whole warrant entitles the holder to purchase one common share at \$0.20 any time within three years of closing

Loan (Option to Purchase Royalty)

- The Investors have provided a US\$8.9 million secured 18-month loan; with first security ranking on the Cactus Mine and Merrill Properties
- The loan has a 12% p.a. interest rate is payable quarterly (in cash or shares at Elim's option), with a Maturity date of January 15, 2022
- In additional consideration for the loan, Elim has granted the Investors a 0.64% NSR (the "Original Loan NSR") on all minerals produced from the Cactus Mine and the Merrill Properties
- The Investors maintain an Option to convert the loan into a further 1.27% NSR Royalty for a total NSR associated with the Loan of 1.91% (Tembo – 1.50%; RCF – 0.41%)
- Elim may repay the Loan in whole at any time during the term and will include all accrued interest as of the date of the Prepayment. Should Elim repay the Loan only the 0.64% Original Loan NSR shall survive
- Elim may buy back the Original Loan NSR of 0.64% for US\$8.9 million

Royalty Agreement

- US\$5.1 million from the sale of a 1.27% NSR, payable to both Tembo (1.0%) and RCF (0.27%), on all minerals produced from the Cactus Mine and the Merrill Properties

The Investors will have certain rights so long as that party holds a minimum of 10% of the Company's shares. Both Investors have the right to nominate one Director to the Board of Elim Mining. In addition, Tembo may nominate two representatives to the Company's Group Projects Technical Committee, and RCF may nominate one representative. Nominees for both Board of Directors and Technical Committee will be reviewed, approved, and appointed in short order.

Haywood Securities Inc. acted as financial advisor to Elim Mining Incorporated.

The securities issued in the private placement have not been registered under the Securities Act of 1933, as amended, or any state or other applicable jurisdiction's securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state or other jurisdictions' securities

laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any offer, solicitation or sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Elim Mining Incorporated (www.elimining.com | www.cactusmine.com)

Elim Mining Incorporated is a private mineral resource development company with corporate headquarters in Reno, Nevada and operating headquarters in Phoenix, Arizona. Elim is rooted in the identification, acquisition, exploration, development, and sustainable production of precious and base metal properties in well-known geologic regions. The company seeks assets with significant potential for proven and probable mineral reserves. Elim is managed by mining executives with over 210 years of combined experience in mine operations and business. With a history and reputation for strategically launching, revitalizing, and leading multi-million-dollar mining organizations, the team has achieved tremendous growth and value for investors in a socially and environmentally responsible manner.

About Tembo Capital Group

Tembo Capital is a mining-focused private equity fund group, which has a strong track record of identifying and supporting emerging resource companies. The Tembo Capital team has significant mining technical expertise and mining finance and private equity experience. Tembo has a strong focus on investing in sustainable developments that meet the highest standards of ESG performance.

About Resource Capital Funds

Resource Capital Funds (“RCF”) is a group of commonly managed private equity funds, established in 1998, with a mining sector specific investment mandate spanning all hard-mineral commodities and geographic regions. Since inception, RCF has supported 193 mining companies, with projects located in 51 countries and across 32 commodities. Further information about RCF can be found on its website (www.resourcecapitalfunds.com).

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Forward-Looking Statements

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of Elim to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could affect the outcome include, among others: future prices and the supply of metals; the results of drilling; inability to raise the money necessary to incur the expenditures required to retain and advance the properties; environmental liabilities (known and unknown); general business, economic, competitive, political and social uncertainties; results of exploration programs; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; or delays in obtaining governmental approvals, projected cash operating costs, failure to obtain regulatory or shareholder approvals.

Although Elim has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and Elim disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.