



RHYOLITE RESOURCES LTD.
Suite 1703 – 595 Burrard Street
Vancouver, BC V7X 1J1
Tel: (604) 689-1428 / Fax: (604) 681-4692

Rhyolite Resources closes acquisition of the Brothers Project in Suriname

VANCOUVER, BC, OCTOBER 30, 2020 – Rhyolite Resources Ltd. (the “Company” or “Rhyolite”) (RYE-TSXV) is pleased to announce that it has completed the acquisition of all of the outstanding share capital of 2777662 Ontario Inc. (“ONCorp”), pursuant to the terms of a definitive share purchase agreement entered into with each of the shareholders (collectively, the “Vendors”) of ONCorp. ONCorp is a privately-held arms-length company which holds an option to acquire an 80% interest in the Brothers Project in Suriname.

The Vendors received 15,546,566 common shares of Rhyolite in consideration for all of the outstanding share capital of ONCorp (the “Transaction”).

“The opportunity to earn up to an 80% interest in the Brothers Project is an important step forward in the transformation of Rhyolite, positioning the company for future growth,” said Richard Graham, President and Chief Executive Officer of Rhyolite.

“We believe that there is excellent potential to discover significant additional gold mineralization at Brothers, and are planning a comprehensive exploration program to follow up on these targets at the center of an established gold belt. Rhyolite continues to advance our Paxson gold project in Alaska and pursue other strategic acquisitions to add to our growing portfolio.”

Highlights of the Brothers Project:

- 96-square-kilometer Brothers Exploitation concession is located approximately 140 kilometers south of Paramaribo, the capital city of Suriname and accessible by road and within the same general mineralized lithologic and structural setting as IAMGOLD’s Rosebel Gold Mine and Newmont’s Merian Mine.
- The Brothers Project is an exploitation license, which allows mining with no additional permits. The Project is not in or near any protected areas, and no villages are located within the concession. Brothers is within the area of interest between Newmont and the government of Suriname in their Mineral Agreement.
- Brothers is considered one of the more prospective projects in the Guiana Shield with a number of high priority targets supported by 246 grab samples from the extensive small-scale mining operations. Of these samples, 84 exceed 1 g/t Au (34%) and 22 exceed 10 g/t Au with a high assay of 105 g/t Au.
- At one mine on the property, small scale underground mining by hand reported 50 kilograms of gold production over 10 months of operation with three underground levels and a fourth being developed. Two samples of tails from the sluice collected during a site visit showed very high gold values of 21.8 g/t and 28.9 g/t, indicating high head grades and low recoveries.
- Another small-scale mine located on the property in saprolite with exposed quartz veins 8 to 10 meters in width delivered assay results from channel sampling with an average grade of 6.48 g/t Au over 10 meters and includes 17.25 g/t Au over 2 meters.

More information on the Brothers Project is available in Rhyolite's October 13, 2020 news release available at rhyoliteresources.com.

Highlights of the Transaction

Rhyolite has assumed ONCorp's right to earn up to an 80% interest in the Brothers Project, which right is exercisable by completing the following:

- US\$200,000 cash payment within six months of the closing of the Transaction, for a 20% interest in the Project.
- Drill 3,000 meters with minimum committed work capital of US\$1 million within 18 months of the closing of the Transaction and make a US\$300,000 cash payment for a 40% interest.
- Drill an additional 10,000 meters with minimum committed work capital of US\$3.5 million within 42 months of the closing of the Transaction, and make a US\$400,000 cash payment for a 60% interest. If the Company does not earn a 60% interest in the Project, it will return the interest earned to date.
- Deliver a preliminary economic assessment ("PEA") within 66 months of closing of the Transaction and payment of US\$500,000 for a 70% interest.
- Deliver a feasibility study and payment of US\$1.25 million, for an 80% interest.
- Upon commencement of commercial production at Brothers, make a US\$2.5 million cash payment.
- Upon closing of the Transaction, the Company is entitled to purchase a 0.5% net smelter return royalty for US\$2 million.

Qualified Person

Dr. Dennis LaPoint, PhD, LGeo, is a Qualified Person (QP) under National Instrument 43-101 "Standards of Disclosure for Mineral Projects" and has approved the technical information contained in this news release. Dr. LaPoint is not considered to be independent for the purposes of National Instrument 43-101.

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.

Contact information

Richard Graham, P.Geo.
Telephone: 604-488-8717

About Rhyolite Resources Ltd.

Rhyolite Resources Ltd. is a Canadian-based, opportunity focused, resource company. Utilizing its technical strength and entrepreneurial drive, Rhyolite's corporate strategy is to enhance shareholder value through the acquisition of discovery to production staged projects.

Forward-looking statements

Certain statements in this release constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws, including, without limitation, statements with respect to exploration, resource potential, production development and permits. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Rhyolite Resources Ltd., or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements or information including the Company obtaining the approval of the Offering from the TSX Venture Exchange. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict", and other similar terminology, or state that certain actions, events, or results "may", "could", "would", "might", or "will" be taken, occur, or be achieved.

These statements reflect the Company's current expectations regarding future events, performance, and results and speak only as of the date of this news release. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Except as required by securities disclosure laws and regulations applicable to the Company, the Company undertakes no obligation to update these forward-looking statements if the Company's expectations regarding future events, performance, or results change.