

# Blacksteel Energy Inc. Announces Completion of Acquisition of KAZ Acquisition Corp., Acquisition of Marketable Securities and Business Plan Update

Calgary, Alberta--(Newsfile Corp. - July 25, 2022) - Blacksteel Energy Inc. ("**Blacksteel**" or the "**Corporation**") is pleased to announce that it has completed the acquisition (the "**Acquisition**") of all of the issued and outstanding securities of KAZ Acquisition Corp. ("**KAZ**") and the purchase of marketable securities from iChurchill Inc.

The Acquisition and raising additional capital to fund its proposed work program is the third step in the implementation of Blacksteel's new business plan.

## Acquisition of KAZ Acquisition Corp. and Marketable Securities

Under the terms of the Acquisition, Blacksteel issued 12,061,250 common shares (the "**Common Shares**"), 4,292,500 Common Share purchase warrants (the "**Warrants**") and 481,500 finder's warrants (the "**Finder's Warrants**") to KAZ security holders. Each Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.05 on or before July 18, 2026. Each Finder's Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.10 on or before November 30, 2022.

In conjunction with the Acquisition, the Corporation also completed the acquisition of marketable securities from iChurchill Inc. for consideration of \$480,000 through the issuance of 6,000,000 Common Shares at a price of \$0.08 per share.

One of the shareholders of KAZ under the Acquisition is considered to be a "related party" of the Corporation for purposes of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Pursuant to MI 61-101, the Corporation will file a material change report providing disclosure in relation to each "related party transaction" on SEDAR under Blacksteel's issuer profile at [www.sedar.com](http://www.sedar.com) (<https://www.newsfilecorp.com/redirect/NN4P8FmZ4Z>). The Corporation did not file the material change report more than 21 days before the expected closing date of the Acquisition as it was not determined until a short period prior to completion of the Acquisition whether or not the shareholder would be a "related party". The Corporation is relying on exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. The Corporation is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on sections 5.5(a) and (b) of MI 61-101 as the fair market value of the transaction, insofar as it involves interested parties, is not more than the 25% of the Corporation's market capitalization, and no securities of the Corporation are listed or quoted for trading on prescribed stock exchanges or stock markets. Additionally, the Corporation is exempt from minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(a) as the fair market value of the transaction, insofar as it involves interested parties, is not more than the 25% of the Corporation's market capitalization.

## Private Placement

The Corporation is also pleased to announce an offering of up to 5,000,000 flow-through shares (the "**FT Shares**") at a price of \$0.09 per FT Share for gross proceeds of \$450,000 and 5,000,000 Common Shares at a price of \$0.08 per share for gross proceeds of \$400,000 (collectively, the "**Offering**").

Blacksteel has completed an initial closing of the Offering through the issuance of 111,111 FT Shares and 13,750,000 Common Shares for total gross proceeds of \$120,000.

Blacksteel currently has 73,737,052 Common Shares issued and outstanding.

The next step involves completion of its proposed Offering and consolidation of its Girouxville asset to a 100% working interest.

Upon consolidation of the Alberta based Girouxville, the Corporation is contemplating a work program to boost production and cash flow given the current oil price environment.

Blacksteel's new business plan includes evaluating international oil and gas opportunities that provide significant accretive exposure on a per share basis to Blacksteel's current reserves, production and/or cash flow while raising capital to support these initiatives.

Jeff Callaway, Blacksteel's CEO, commented, "Acquiring KAZ and the marketable securities from iChurchill bolsters the Blacksteel balance sheet and represents another significant milestone in the execution of the business plan. As we work towards closing our proposed financings, Blacksteel will be well positioned to grow the company with no debt currently on the balance sheet."

"The Blacksteel team has been doing due diligence on a significant international opportunity in conjunction with repositioning the Corporation to establish a growing cash flow base from its Girouxville asset. The resulting cash flow, in the context of the current oil price environment, will provide sufficient funds to advance this opportunity to the benefit of Blacksteel shareholders. We thank our shareholders for their patience as Blacksteel executes its business plan."

**Blacksteel Energy Inc.**

*Blacksteel is a junior oil and gas company involved in the exploration, development and production of petroleum and natural gas resources.*

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*Forward-Looking Information Cautionary Statement: This document contains forward-looking statements regarding the business and operations of Blacksteel. All statements other than statements of historical fact contained herein are forward-looking statements under applicable securities laws. In particular, statements as to the Corporation's anticipated transactions are forward-looking statements. These forward-looking statements are based upon various assumptions. The Corporation's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the plans, intentions or expectations anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefit the Corporation will derive there from. All subsequent forward-looking statements, whether written or oral, attributable to the Corporation or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

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