



NEVGOLD RESOURCE CORP.

## NEWS RELEASE

TSX: SPD

[www.silverpredator.com](http://www.silverpredator.com)

NR 11-10

TSXV: NDG

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### SILVER PREDATOR ENTERS INTO LETTER OF INTENT TO ACQUIRE NEVGOLD RESOURCE CORP.

**Vancouver, British Columbia, November 15, 2011: Silver Predator Corp. ("Silver Predator")** (TSX: SPD) and Nevgold Resource Corp. ("**Nevgold**") (TSXV: NDG) are pleased to announce that they have entered into a letter of intent (the "**LOI**") whereby Silver Predator will acquire all of the outstanding securities of Nevgold (the "**Proposed Transaction**"). Nathan Tewalt, Chief Executive Officer of Nevgold, will be assuming the position of Chief Executive Officer of Silver Predator upon completion of the Proposed Transaction.

"I am pleased to announce this transaction" said William M. Sheriff, Chairman of Silver Predator. "The addition of Nevgold's silver assets to the Silver Predator portfolio, and the benefit of the substantial experience of Nevgold's senior management, are anticipated to propel our company forward as we continue to develop our properties in two of the world's preeminent silver jurisdictions."

Nathan Tewalt, Chief Executive Officer of Nevgold, stated: "By combining Nevgold's assets with Silver Predator, we are forming a well-capitalized Company with significant resources and upside potential; our whole team looks forward to combining forces to create a leading silver explorer."

#### **About Nevgold Resource Corp.**

Nevgold's exploration portfolio includes the Cornucopia Property, located within the Cornucopia silver mining district in Elko County, Nevada, the Copper King Property located two miles north of the Lucky Friday silver mine in the Coeur d' Alene District of Idaho, and the Cordero Property, located seven miles southwest of the town of McDermitt in Humboldt County, north-central Nevada.

#### **About Silver Predator Corp.**

Silver Predator's corporate mandate is to explore and develop commercially viable silver resources in the leading silver districts of Yukon, Canada and Nevada, USA. Working within stable geopolitical jurisdictions, Silver Predator is focused on silver-dominant bulk tonnage and/or high grade

opportunities. Proven management plus access to unparalleled geological talent in the Yukon and extensive experience in Nevada provide the ability to maximize shareholder value from the quality asset base. Silver Predator owns or has interests in over 25 properties in Nevada and Yukon, the most significant of which are the Taylor and Plata Projects.

### **Terms of the Proposed Transaction**

Pursuant to the LOI, Silver Predator and Nevgold have agreed to use reasonable commercial efforts to prepare a definitive acquisition agreement (the "**Pre-Arrangement Agreement**") with the following principal terms:

- (a) Silver Predator will issue 0.5 of a common share of Silver Predator (a "**SPD Share**") for each outstanding common share of Nevgold (the "**Exchange Ratio**"), resulting in the issuance of approximately 7,059,000 SPD Shares; and
- (b) outstanding options and warrants to acquire common shares of Nevgold (the "**NDG Shares**") will entitle the holders thereof on exercise to receive SPD Shares, adjusted for the Exchange Ratio with a corresponding adjustment to the exercise price. Notwithstanding the foregoing, holders of not less than 585,000 presently outstanding options of Nevgold must agree to cancel such options effective on or before the completion of the Proposed Transaction. Nevgold presently has 710,000 stock options and 1,005,000 warrants outstanding.

Completion of the Proposed Transaction is subject to the satisfaction of a number of conditions, including without limitation the completion of due diligence, the execution of the Pre-Arrangement Agreement, and the receipt of securityholder, court and regulatory approvals.

Each of Nevgold's directors and officers have entered into a lock-up agreement with Silver Predator under which they will vote the Nevgold shares held by them in favour of the Proposed Transaction.

The LOI provides that the Pre-Arrangement Agreement will contain provisions for a Break Fee (as defined below). In the event the Proposed Transaction is not completed following the execution of the Pre-Arrangement Agreement, other than as a result of:

- (a) the termination of the Pre-Arrangement Agreement by Silver Predator;
- (b) the termination of the Pre-Arrangement Agreement by Nevgold in the event of a breach by Silver Predator of a covenant or obligation contained in the Pre-Arrangement Agreement or in the event the parties have not completed the Proposed Transaction on or before February 28, 2012 (provided, in each case, that Nevgold is not in material default of any of its obligations under the Pre-Arrangement Agreement);
- (c) the inability of Nevgold to obtain the court, regulatory or security holder approvals required for the completion of the Proposed Transaction, provided that Nevgold has acted in good faith to obtain such approvals and the failure to obtain such approvals is not as a result of any gross negligence or willful misconduct of Nevgold or a result of a withdrawal or change in Nevgold's board approval of the Proposed Transaction; and
- (d) the occurrence of an event which prevents or prohibits the completion of the Proposed Transaction on the same economic or structural terms, due to causes beyond the control of

either party, provided that such event has not occurred as a result of any gross negligence or willful misconduct on the part of Nevgold,

then a break fee of \$100,000 (the “**Break Fee**”) will be payable by Nevgold to Silver Predator. Nevgold may elect, subject to regulatory approval, to pay the Break Fee in units of Nevgold (“**Units**”) at a price of \$0.20 per Unit, each Unit consisting of one NDG Share and one-half of one share purchase warrant, each full warrant entitling Silver Predator to purchase a NDG Share for a period of two years from the date of issue at a price of \$0.25.

Upon the completion of the Proposed Transaction, directors, management and employees of Nevgold will resign, and Silver Predator will appoint Nathan Tewalt as Chief Executive Officer and Thomas Chadwick as VP, Exploration of Silver Predator. Silver Predator will also nominate one representative of Nevgold, acceptable to SPD, acting reasonably, to its board of directors upon closing of the Proposed Transaction.

The Proposed Transaction may be considered a "business combination" under Multilateral Instrument 61-101. The terms contemplate that Nathan Tewalt, the Chief Executive Officer and a director of Nevgold, will be appointed the Chief Executive Officer and a director of Silver Predator on closing and will have an outstanding US\$70,000 loan to Nevgold repaid by Silver Predator on or shortly following the closing. In addition, Thomas Chadwick, the President and a director of Nevgold, will be appointed as VP Exploration of Silver Predator on closing. The terms and amounts of any compensation to be paid to Nathan Tewalt and Thomas Chadwick as officers of Silver Predator have yet to be finalized. As a result of these arrangements, Nathan Tewalt and Thomas Chadwick may be considered to be receiving a "collateral benefit" as defined in Multilateral Instrument 61-101. As a result, the votes attaching to the NGD Shares beneficially owned, or over which control or direction is exercised, by Nathan Tewalt (2,191,500 NGD Shares) and Thomas Chadwick (780,000 NGD Shares) in the aggregate amount of 2,971,500 NGD Shares, will be excluded in determining whether minority approval of the shareholder resolution approving the Proposed Transaction has been obtained.

The board of directors of Nevgold may respond to, in accordance with applicable law or in discharge of its fiduciary duties, any unsolicited offer or proposal received from a third party, which the board of directors of Nevgold determines in good faith (after consultation with its financial advisors, if any, and with its outside legal counsel) would, if consummated in accordance with its terms, result in a transaction that is more favourable to the shareholders of Nevgold from a financial point of view than the Proposed Transaction contemplated by the LOI (a “**Superior Proposal**”). Nevgold shall immediately advise Silver Predator of the existence and terms of any such offer or proposal and provide copies thereof immediately upon receipt thereof by Nevgold. If, within three business days of receipt of copies of such offer or proposal, Silver Predator agrees to amend the terms of the LOI such that the Proposed Transaction is no less favourable to the shareholders of Nevgold from a financial point of view than the Superior Proposal, in the opinion of the board of directors of Nevgold, acting in good faith, then Nevgold shall not enter into any agreement regarding the Superior Proposal.

#### **Bridge Loan**

Pursuant to the LOI, Silver Predator has agreed to advance to Nevgold a convertible bridge loan, for the purposes of paying Nevgold's day-to-day expenses and Nevgold's expenses related to the Proposed Transaction, in the maximum amount of \$225,000, as follows:

- (a) \$50,000 upon acceptance of the LOI by Nevgold;

- (b) \$100,000 upon execution and delivery of the Pre-Arrangement Agreement by both parties; and
- (c) \$75,000 upon the mailing to shareholders of Nevgold the information circular describing the Proposed Transaction.

In the event the Proposed Transaction does not close as and when provided for in the LOI or in the Pre-Arrangement Agreement, the amount of the bridge loan will be fully repaid on demand by Silver Predator or, at the option of Nevgold and subject to regulatory approval, converted into Units on the same terms as described above.

Further descriptions of Nevgold's and Silver Predator's key properties, as well as additional particulars of the Proposed Transaction, can be viewed at <http://www.silverpredator.com/documents/SPD-NR11-10-2011-11-15-SPD-NDG-Transaction-JWL-FINAL.pdf>

**FOR ADDITIONAL INFORMATION PLEASE CONTACT:**

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*None of the securities anticipated to be issued under the Proposed Transaction have been or will be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and such securities are anticipated to be issued in the United States pursuant to exemptions from such registration requirements. This press release shall not constitute an offer to sell or solicitation of an offer to buy any securities in any jurisdiction where such an offer or sale would be unlawful.*

**Information Concerning Mineralization and Resources**

*Unless otherwise indicated, all resource estimates contained in this news release have been prepared in accordance with National Instrument 43-101 in compliance with Canadian securities laws, which differ from the requirements of United States securities laws. Without limiting the foregoing, this news release uses the terms "measured resources", "indicated resources" and "inferred resources". United States investors are advised that, while such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission ("SEC") does not recognize them. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of contained ounces is*

permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report resources as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in this news release may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

#### **Forward-Looking Statements**

*This news release contains certain forward-looking information and statements with the meaning of applicable Canadian and United States securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “confident”, “might”, “proposed” and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the Proposed Transaction and the proposed terms and timing thereof, exploration, development and production of properties, including the proposed timing and success thereof, and expected mineralization and mineral resources.*

*The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking statements. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements. These include, but are not limited to, risks associated with fluctuations in the market price of the Silver Predator or Nevgold’s common shares, commodity price and exchange rate fluctuations and uncertainties and risks relating to the outcome of the Proposed Transaction on the market price, marketability and liquidity of Silver Predator or Nevgold’s common shares risks associated with exploration, development and production and other risks and uncertainties described herein and in the disclosure documents of Silver Predator and Nevgold filed on the SEDAR website at [www.sedar.com](http://www.sedar.com). All forward-looking statements are based on various assumptions including, without limitation, the presence of and continuity of minerals and metals at a project at modeled grades, the availability of equipment, exchange rates and the continued availability of financing. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.*

*The foregoing list of assumptions, risks and uncertainties is not exhaustive. The forward-looking information and statements contained in this news release speak only as of the date of this news release, and Silver Predator and Nevgold assume no obligation to update publicly or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

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