



NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR  
DISSEMINATION IN THE UNITED STATES

### STERLING METALS ANNOUNCES CLOSING OF PRIVATE PLACEMENT

**December 18, 2020 – Toronto, Ontario – Sterling Metals Corp. (TSXV: SAG)** (the “**Company**”) is pleased to announce that it has completed its previously announced “best efforts” brokered private placement of (i) 3,701,296 units (each, a “**Unit**”) at a price of \$0.30 per Unit, (ii) 4,364,213 flow-through units (each, a “**FT Unit**”) at a price of \$0.35 per FT Unit, and (iii) 2,564,103 charity flow-through units (each, a “**Charity FT Unit**”) at a price of \$0.39 per Charity FT Unit, for aggregate gross proceeds of \$3,637,863.52 (the “**Offering**”). The Offering was led by Stephen Avenue Securities Inc., as sole agent and sole bookrunner (the “**Agent**”).

In addition, the Company completed a concurrent non-brokered private placement of 376,666 Units at a price of \$0.30 per Unit for aggregate gross proceeds of \$112,999.80.

Each Unit is comprised of one common share (“**Common Share**”) in the capital of the Company and one Common Share purchase warrant (“**Warrant**”) of the Company. Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.45 for a period of two (2) years from the closing date (the “**Closing Date**”) of the Offering. Each FT Unit is comprised of one Common Share, issued on a flow-through basis (“**FT Share**”) and one Warrant, issued on a non-flow-through basis, having the same terms as the Warrants partially comprising the Units. Each Charity FT Unit is comprised of one Common Share, issued on a flow-through basis (“**Charity FT Share**”) and one Warrant, having the same terms as the Warrants partially comprising the Units and FT Units. The FT Shares and the Charity FT Shares will qualify as “flow-through shares” within the meaning of subsection 66(15) of the *Income Tax Act* (Canada).

The net proceeds of the Offering received from the issuance of the Units will be used by the Company for general working capital purposes. The gross proceeds from the Offering received from the issuance of the FT Units and Charity FT Units will be used by the Company to incur eligible “Canadian exploration expenses” that will qualify as “flow-through mining expenditures” (as such terms are defined in the *Income Tax Act* (Canada)) (the “**Qualifying Expenditures**”) related to the Company’s projects in Canada. All Qualifying Expenditures will be renounced in favour of the subscribers of the FT Units and Charity FT Units effective December 31, 2020. It is anticipated that most of the funds derived from the sale of the FT Units and Charity FT Units will be used on the Sail Pond silver-copper-lead-zinc project on the Great Northern Peninsula of Newfoundland, in connection with a definitive option agreement dated September 23, 2020 between the Company and Altius Resources Inc. (“**Altius**”), a wholly-owned subsidiary of Altius Minerals Corp. (the “**Option Agreement**”).

As consideration for the services provided by the Agent in connection with the Offering, the Agent received: (i) a cash commission of \$291,029.08; and (ii) an aggregate of 850,369 broker warrants (“**Broker Warrants**”). Each Broker Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.30 until December 22, 2022.

All securities issued pursuant to the Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation. The closing of the Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals, including the approval of the TSX Venture Exchange.

The Offering constituted a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 (“**MI 61-101**”) as certain insiders of the Company subscribed for an aggregate of 366,667 Common Shares pursuant to the Offering. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the Company is not listed on a specified market and the fair market value of the participation in the Offering by the insiders does not exceed 25% of the market capitalization of the Company in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances in order to complete the Offering in an expeditious manner.

In addition, under the terms of the Option Agreement, the Company intends to settle the amount of \$200,000 owing to Altius through the issuance of an aggregate of 606,061 Common Shares at a deemed price of \$0.33 per Common Share. The issuance of such Common Shares is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals, including the approval of the TSX Venture Exchange.

This news release does not constitute an offer to sell or a solicitation of an offer to sell 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.

**For more information, please contact:**

**Sterling Metals Corp.**

Mathew Wilson, President & CEO

Tel: (416) 643-7630

Email: [info@sterlingmetals.ca](mailto:info@sterlingmetals.ca)

Website: [www.sterlingmetals.ca](http://www.sterlingmetals.ca)

**Stephen Avenue Securities Inc.**

Daniel Cappuccitti

Tel: (416) 479-4478

Toll Free: 1-844-540-2018

Fax: (416) 866-4141

Email: [dcappuccitti@stephenavenue.com](mailto:dcappuccitti@stephenavenue.com)

*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.*

*This news release contains certain “forward-looking information” within the meaning of applicable securities laws. Forward looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “would”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the information is provided, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. For a description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company’s Management’s Discussion and Analysis. The Company undertakes no obligation to update forward-looking information if circumstances or management’s estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.*