



STRATEGEM CAPITAL

Strength Through Strategy

STRATEGEM CAPITAL CORPORATION

NEWS RELEASE

2023378 ONTARIO INC. PURCHASE AND SKKY CAPITAL CORPORATION LIMITED DISPOSITION OF SHARES

VANCOUVER, BRITISH COLUMBIA / LONDON, UNITED KINGDOM (December 1, 2020) – Strategem Capital Corporation (TSXV: SGE) (the “**Company**”) is announcing that 2023378 Ontario Inc. (“**202**”) has acquired 1,500,000 common shares (the “**Shares**”) in the capital of the Company from SKKY Capital Corporation Limited (“**SKKY**”) pursuant to a private transaction (the “**Transaction**”) which is exempt from the take-over bid requirements pursuant to section 4.2(1) of National Instrument 62-104. 202 will hold 34.7% of the issued and outstanding common shares of the Company. SKKY will also hold 35.3% of the issued and outstanding common shares of the Company.

Purchase of Shares

202 acquired, and SKKY disposed, the Shares at a deemed price of \$2.29 per Common Share.

Prior to the Transaction, 202 held zero common shares in the capital of the Company, which was equal to 0% of the issued and outstanding common shares of the Company. SKKY held 3,022,200 common shares in the capital of the Company, which was equal to 70% of the issued and outstanding common shares of the Company.

Following the Transaction, 202 holds 1,500,000 common shares in the capital of the Company, which is equal to 34.7% of the issued and outstanding common shares of the Company. SKKY holds 1,522,200 common shares in the capital of the Company, which is equal to 35.3% of the issued and outstanding common shares of the Company.

202 acquired the Shares for investment purposes. In pursuing such purposes, 202 takes a long-term view of its investment. 202 reserves the right to formulate other plans or make other proposals, and take such actions with respect to its investment in the Company. Depending on market conditions and other factors, 202 may acquire additional securities of the Company as 202 may deem appropriate, whether in open market purchases, privately negotiated transactions or otherwise. 202 may dispose of some or all of such securities. 202 may also reconsider and change its plans or proposals relating to the foregoing.

SKKY disposed of the Shares for estate planning and monetization purposes. In pursuing such purposes, SKKY takes a long-term view of its investment. SKKY reserves the right to formulate other plans or make other proposals, and take such actions with respect to its investment in the Company. Depending on market conditions and other factors, SKKY may acquire additional securities of the Company as SKKY may deem appropriate, whether in open market purchases, privately negotiated transactions or otherwise. SKKY may dispose of some or all of such securities. SKKY may also reconsider and change its plans or proposals relating to the foregoing.

Early Warning Report filed pursuant to National Instrument 62-103

This press release is issued pursuant to early warning requirements of National Instrument 62-104 and National Instrument 62-103, which also requires both 202 and SKKY to file a report with regulatory authorities in each of the jurisdictions containing additional information with respect to the foregoing matters (the “**Early Warning Reports**”). A copy of each of the Early Warning Reports are available under the Company’s SEDAR profile at www.sedar.com.

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Forward Looking Information

This press release contains “forward-looking statements” within the meaning of applicable securities laws, such as statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Use of words such as “may”, “will”, “expect”, “believe”, “intends”, “likely”, or other words of similar effect may indicate a “forward-looking” statement. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described in the Company’s publicly filed documents (available on SEDAR at www.sedar.com). Many of these risks and uncertainties can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statement made by the Company or on its behalf. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. All forward-looking statements in this press release are qualified by these cautionary statements. These statements are made as of the date of this news release and, except as required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Company, its financial or operating results or its securities. The Company does not assume any obligation to update or revise any forward-looking statements, whether written or oral, that may be made from time to time by the Company or on the Company’s behalf, except as required by applicable law.

“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.”