

Stone Gold Inc. Announces Closing of Second and Final Tranche of Non-Brokered Private Placement

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TORONTO, ONTARIO – December 29, 2021 – Stone Gold Inc. (**TSX-V: STG**) ("**Stone Gold**" or the "**Company**") is pleased to announce that, in connection with its previously announced non-brokered private placement on December 14, 2021 (the "**Offering**"), the Company is closing the second and final tranche ("**Second Tranche**") of the Offering. The Offering is comprised of the sale of a combination of flow-through units of the Company ("**FT Units**") at a price of \$0.12 per FT Unit and hard-dollar units of the Company ("**HD Units**") at a price \$0.10 per HD Unit (the "**Offering**"). The First tranche (the "**First Tranche**") consisted of the sale of 2,384,999 FT Units and 1,450,000 HD Units for aggregate gross proceeds of \$431,199.88 and the Second Tranche consisted of the sale of 2,908,333 FT Units and 250,000 HD Units for aggregate gross proceeds of \$373,999.96. In total, 5,293,332 FT Units and 1,700,000 HD Units were issued pursuant to the Offering, for aggregate gross proceeds of \$805,199.84.

Each FT Unit is comprised of one (1) common share of the Company issued on a flow-through basis within the meaning of the *Income Tax Act* (Canada) (a "**FT Share**"), and one-half of one (0.5) common share purchase warrant (each whole warrant, a "**FT Warrant**"), with each FT Warrant entitling the holder thereof to acquire one (1) additional common share of the Company at a price of \$0.20 for a period of twenty-four (24) months following the closing of the applicable tranche of the Offering. Each HD Unit is comprised of one (1) common share of the Company (a "**Common Share**"), and one (1) common share purchase warrant (a "**HD Warrant**" and collectively with the FT Warrants, the "**Warrants**"), with each HD Warrant entitling the holder thereof to acquire one (1) additional Common Share at a price of \$0.15 for a period of twenty-four (24) months following the closing of the applicable tranche of the Offering. The Company can elect to accelerate the expiry of the Warrants in the event that the volume-weighted average trading price of the Common Shares on a stock exchange equals or exceeds \$0.30 for twenty (20) consecutive trading days, in which case the Warrants will expire thirty (30) days after the date that the Issuer provides written notice of acceleration.

The proceeds from the issuance of the FT Units will be used for "Canadian exploration expenses" and will qualify as "flow-through mining expenditures" (the "**Qualifying Expenditures**"), as defined in subsection 127(9) of the *Income Tax Act* (Canada). The Company intends to renounce the Qualifying Expenditures to subscribers of FT Units for the fiscal year ended December 31, 2021. The proceeds from the issuance of HD Units will be primarily used for exploration activities at the Company's properties, as well as for general working capital purposes.

Completion of the Offering is subject to receipt of all necessary regulatory approvals, including approval of the TSX Venture Exchange (the "**Exchange**"). The securities issued pursuant to the Offering will be subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities laws. In connection with the First Tranche, the Company has agreed to pay a commission in the aggregate of \$18,269.99 to eligible finders and in connection with the Second Tranche, the Company has agreed to pay a commission of \$24,499.99 to eligible finder's, all in accordance with the policies of the Exchange.

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Stone Gold Inc. is engaged in the acquisition, exploration and evaluation of properties for the mining of precious and base metals.

Caution Regarding Forward-Looking Information

This news release contains forward-looking information that involves substantial known and unknown risks and uncertainties, most of which are beyond the control of Stone Gold. Forward-looking statements include estimates and statements that describe Stone Gold's future plans, objectives or goals, including words to the effect that Stone Gold or its management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to Stone Gold, Stone Gold provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, Stone Gold's objectives, goals or future plans, statements, details of the exploration results, potential mineralization, Stone Gold's portfolio, treasury, management team and enhanced capital markets profile, the timing of the Offering, the estimation of mineral resources, exploration and mine development plans, timing of the commencement of operations and estimates of market conditions.

Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, failure or inability to complete the Offering, regulatory approval processes, failure to identify mineral resources, delays in obtaining or failures to obtain required governmental, regulatory, environmental or other project approvals, political risks, inability to fulfill the duty to accommodate First Nations and other indigenous peoples, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, and those risks set out in Stone Gold's public documents filed on SEDAR. Although Stone Gold believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Stone Gold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

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