

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Sterling Metals Corp. (formerly, Latin American Minerals Inc.) (the "**Company**")
217 Queen Street West, Suite 401
Toronto, Ontario M5V 0R2

2. Date of Material Change

December 18, 2020

3. News Release

A press release disclosing the material change was released on December 18, 2020, through the facilities of Newsfile Corp.

4. Summary of Material Change

On December 18, 2020, the Company announced that it had completed its previously announced "best efforts" brokered private placement of: (i) 3,701,296 units of the Company (each, a "**Unit**") at a price of \$0.30 per Unit, (ii) 4,364,213 flow-through units of the Company (each, a "**FT Unit**") at a price of \$0.35 per FT Unit, and (iii) 2,564,103 charity flow-through units of the Company (each, a "**Charity FT Unit**") at a price of \$0.39 per Charity FT Unit, for aggregate gross proceeds of \$3,637,863.52. In addition, the Company completed a concurrent non-brokered private placement on December 18, 2020 through the issuance of 376,666 Units at a price of \$0.30 per Unit for aggregate gross proceeds of \$112,999.80 (collectively, the "**Offering**").

5. Full Description of Material Change

The brokered portion of the Offering was led by Stephen Avenue Securities Inc., as sole agent and sole bookrunner (the "**Agent**") and was carried out in accordance with the terms of an agency agreement dated December 18, 2020 amongst the Company and the Agent.

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 until December 18, 2022. 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 received from the issuance and sale of the Units will be used by the Company for general working capital purposes. The gross proceeds from the Offering received from the issuance and sale 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 brokered portion of 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 18, 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.

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.

A portion of the Offering constituted a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), as certain officers and directors of the Company subscribed for an aggregate of 366,667 Units under the Offering.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

In connection with the Offering, an aggregate of 366,667 Units were acquired by insiders of the Company.

(b) the purpose and business reasons for the transaction:

The net proceeds received from the issuance and sale of the Units will be used by the Company for general working capital purposes. The gross proceeds from the Offering received from the issuance and sale of the FT Units and Charity FT Units will be used by the Company to incur Qualifying Expenditures on the Company’s mineral projects in Canada.

(c) the anticipated effect of the transaction on the issuer’s business and affairs:

The net proceeds received from the issuance and sale of the Units will be used by the Company for general working capital purposes. The gross proceeds from the Offering received from the issuance and sale 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)) related to the Company’s projects in Canada. 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 the Option Agreement.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

In connection with the Offering, the following securities were issued to insiders of the Company:

Name of Insider	Position	Number of Units Purchased	Aggregate Purchase Price
Richard Patricio	Director	200,000	\$60,000
Mathew Wilson	President, Chief Executive Officer and Director	83,334	\$25,000.20
Centrys Inc.	A corporation owned and controlled by an insider of the Company	83,333	\$24,999.90
TOTAL:			\$110,000.10

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

The effect of the acquisition of Units by insiders of the Company pursuant to the Offering on the percentage of securities of the Company beneficially owned and controlled by each of the insiders identified in item # 5(d)(i) is as follows:

Name of Insider	# of Listed Shares or other securities purchased	# of Listed Shares held on closing (provide both Undiluted and Partially Diluted #)	% of outstanding Listed Shares held on closing (Undiluted and Partially Diluted)
Richard Patricio	200,000	350,000 undiluted 1,150,000 partially diluted	0.86% undiluted 2.78% partially diluted
Mathew Wilson	83,334	868,201 undiluted 2,226,535 partially diluted	2.14% undiluted 5.30% partially diluted
Centrys Inc.	83,333	159,206 undiluted 242,539 partially diluted	0.39% undiluted 0.60% partially diluted

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board

of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

A resolution of the board of directors was passed on December 14, 2020 approving the Offering. No special committee was established in connection with the transactions described herein, and no materially contrary view or abstention was expressed or made by any director.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the subscription agreements for the Units, FT Units and Charity FT Units, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

A portion of the Offering constituted a "related party transaction" as defined in MI 61-101 as certain officers and directors of the Company subscribed for an aggregate of 366,667 Units under the Offering. Such related party transactions are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to the related parties nor the consideration being paid by any of the related parties exceeded 25% of the Company's market capitalization. The participants in the Offering and the extent of such participation were not finalized until shortly prior to the completion of the Offering. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation

in the Offering pursuant to a material change report filed at least 21 days prior to the completion of the Offering.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

7. Omitted Information

No significant facts have been omitted from this Material Change Report.

8. Executive Officer

For further information, contact Mathew Wilson, President & Chief Executive Officer of the Company at (416) 643-7630.

9. Date of Report

This report is dated at Toronto, this 24th day of December, 2020.

Cautionary Statement Regarding Forward-Looking Information

This material change report 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.