

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

Sterling Metals Corp. (the “**Company**”)
217 Queen Street West, Suite 401
Toronto, Ontario M5V 0R2

2. **Date of Material Change**

March 31, 2021

3. **News Release**

A press release disclosing the material change was released on April 1, 2021, through the facilities of Accesswire.

4. **Summary of Material Change**

The Company announced that it had closed a non-brokered private placement through the issuance of 2,981,925 units (each, a “**Unit**”) at a price of \$0.52 per Unit and 2,542,803 flow-through units (each, a “**FT Unit**”) at a price of \$0.57 per FT Unit for aggregate gross proceeds of \$3,000,000 (the “**Offering**”).

5. **Full Description of Material Change**

Pursuant to the Offering, the Company issued 2,981,925 Units at a price of \$0.52 per Unit and 2,542,803 FT Units at a price of \$0.57 per FT Unit for aggregate gross proceeds of \$3,000,000.

Each Unit is comprised of one common Share (each, a “**Common Share**”) in the capital of the Company and one Common Share purchase warrant (each, a “**Warrant**”) of the Company. Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.78 per Common Share for a period of two (2) years from the closing date of the Offering (the “**Closing Date**”). Each FT Unit is comprised of one Common Share (each, a “**FT Share**”), issued on a flow-through basis, and one Warrant, issued on a non-flow-through basis, having the same terms as Warrants partially comprising the Units. The 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 from the sale of Units will be used by the Company for general working capital purposes. The gross proceeds from the sale of FT Units will be used by the Company to incur eligible “Canadian exploration expenses” that will qualify as “flow-through expenditures” such as terms are defined in the *Income Tax Act* (Canada).

In connection with the Offering, the Company paid certain eligible persons (the “**Finders**”) a cash commission of \$38,155.23, equal to 7% of the gross proceeds of the Offering delivered by the Finders and issued 60,525 broker warrants (“**Broker Warrants**”), equal to 7% of the number of Units and FT Units delivered by the Finders pursuant to the Offering. Each Broker Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.65 per Common Share for a period of two (2) years from the Closing Date.

The Company engaged Canaccord Genuity Corp. (“**Canaccord Genuity**”) to act as a financial advisor for the Offering. The Company paid Canaccord Genuity: (i) an advisory fee of \$65,000 satisfied through the issuance of 125,000 Units; (ii) cash commission of \$142,117.45; and (iii) issued 208,320 Broker Warrants.

All securities issued pursuant to the Offering will be subject to a hold period of four months plus a day from the date of issuance and the resale rules of 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 final approval of the TSX Venture Exchange.

The transaction 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 an insider of the Company subscribed for 70,175 Common Shares pursuant to 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 closing of the Offering, 70,175 FT Units were acquired by an insider of the Company.

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

The net proceeds of the Offering from the sale of the Units will be used by the Company for general working capital purposes. The gross proceeds from the sale of the FT Units will be used by the Company to incur eligible "Canadian exploration expenses" that will qualify as "flow-through expenditures" as such terms are defined in the *Income Tax Act* (Canada).

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

The net proceeds of the Offering from the sale of the Units will be used by the Company for general working capital purposes. The gross proceeds from the sale of the FT Units will be used by the Company to incur eligible "Canadian exploration expenses" that will qualify as "flow-through expenditures" as such terms are defined in the *Income Tax Act* (Canada).

(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:

John A. Baker, a director and senior officer of a 10% securityholder of the Company, subscribed for 70,175 FT Units of the Company.

(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:

Prior to the completion of the Offering, Mr. Baker did not beneficially own or control any securities of the Company. Following completion of the Offering, Mr. Baker owns and controls 70,175 Common Shares and 70,175 Warrants, representing approximately 0.14% of the Company's issued and outstanding Common Shares on a non-diluted basis. If Mr. Baker were to exercise all of his

convertible securities, he would own and control an aggregate of 140,350 Common Shares, representing approximately 0.29% of the Company's then issued and outstanding Common Shares on a partially diluted basis.

- (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 in accordance with the *Canada Business Corporations Act* on March 29, 2021 approving the Offering. No special committee was established in connection with the Offering, 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 a subscription agreement to purchase the Units and FT Units pursuant to the Offering, 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:**

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 insider 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.

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 8th day of April, 2021.

Cautionary Statement Regarding Forward-Looking Information

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 material change report.

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.