

**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**

April 17, 2023

**3. News Release**

A press release disclosing the material change was released on April 17, 2023, through the facilities of Newsfile Corp.

**4. Summary of Material Change**

On April 17, 2023, the Company announced that it had completed its previously announced brokered private placement of: (i) 19,625,000 hard dollar units of the Company (each, a "**HD Unit**") at a price of \$0.15 per HD Unit, (ii) 11,914,200 flow-through units of the Company (each, a "**FT Unit**") at a price of \$0.17 per FT Unit, and (iii) 6,700,000 charity flow-through units of the Company (each, a "**Charity FT Unit**") at a price of \$0.225 per Charity FT Unit, for aggregate gross proceeds of \$6,476,685.90 (the "**Offering**").

**5. Full Description of Material Change**

The Offering was led by PI Financial Corp., as sole agent and sole bookrunner (the "**Agent**") and was carried out in accordance with the terms of an agency agreement dated April 17, 2023 amongst the Company and the Agent.

A Form 45-106F19 Listed Issuer Financing Document dated March 29, 2023 was prepared in connection with the Offering of the HD Units and was filed under the Company's profile on [www.SEDAR.com](http://www.SEDAR.com) and the Company's website at [www.sterlingmetals.ca](http://www.sterlingmetals.ca) in French and English.

The Charity FT Units and FT Units were offered by way of a marketed "best efforts" private placement offering to "accredited investors" or pursuant to other available prospectus exemptions under National Instrument 45-106 Prospectus Exemptions in all provinces of Canada, subject to the receipt of necessary regulatory approvals. The HD Units were offered by way of a best efforts private placement pursuant to the Listed Issuer Financing Exemption under National Instrument 45-106 – *Prospectus Exemptions* in all provinces of Canada, and certain foreign jurisdictions, subject to the receipt of necessary regulatory approvals.

Each HD 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 \$0.25 until April 17, 2025. 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 HD 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 HD Units and FT Units.

The net proceeds of the Offering from the HD Units will be used for exploration and development of the Company's mineral projects and for working capital and general corporate purposes. The aggregate gross proceeds raised from the Charity FT Units and FT Units will be used before 2024

for exploration expenditures which will constitute Canadian exploration expenses (within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “**Tax Act**”), that will qualify as “flow-through critical mineral mining expenditures” within the meaning of the Tax Act (the “**Qualifying Expenditures**”).

As consideration for the services provided by the Agent in connection the Offering, the Company: (i) paid a cash commission of \$295,000; and (ii) issued 1,775,834 compensation options (“**Compensation Options**”). Each Compensation Option is exercisable to acquire one common share in the capital of the Company at an exercise price of \$0.15 per share until October 17, 2024.

The securities comprising the FT Units and the Charity FT Units issued under the Offering will be subject to a statutory hold period in Canada expiring four months and one day from the date of issuance. 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.

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 insiders of the Company subscribed for an aggregate of 936,700 HD 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 936,700 HD Units were acquired by insiders of the Company.

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

The net proceeds of the Offering from the HD Units will be used for exploration and development of the Company’s mineral projects and for working capital and general corporate purposes. The aggregate gross proceeds raised from the Charity FT Units and FT Units will be used before 2024 for exploration expenditures which will constitute Canadian exploration expenses (within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “**Tax Act**”), that will qualify as “flow-through critical mineral mining expenditures” within the meaning of the Tax Act (the “**Qualifying Expenditures**”).

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

The net proceeds of the Offering from the HD Units will be used for exploration and development of the Company’s mineral projects and for working capital and general corporate purposes. The aggregate gross proceeds raised from the Charity FT Units and FT Units will be used before 2024 for exploration expenditures which will constitute Canadian exploration expenses (within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “**Tax Act**”), that will qualify as “flow-through critical mineral mining expenditures” within the meaning of the Tax Act (the “**Qualifying Expenditures**”).

**(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:

<b>Name of Insider</b>	<b>Position</b>	<b>Number of HD Units Purchased</b>	<b>Aggregate Purchase Price</b>
Richard Patricio <sup>1</sup>	Director	270,000	\$40,500
Mathew Wilson	President, Chief Executive Officer and Director	666,700	\$100,005
<b>TOTAL:</b>		<b>936,700</b>	<b>\$140,505</b>

Notes:

(1) Mr. Patricio acquired a total of 270,000 HD Units, directly and indirectly.

(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:

<b>Name of Insider</b>	<b># of Listed Shares or other securities purchased</b>	<b># of Listed Shares held on closing (provide both Undiluted and Partially Diluted #)</b>	<b>% of outstanding Listed Shares held on closing (Undiluted and Partially Diluted)</b>
Richard Patricio	270,000	770,000 undiluted 1,690,000 partially diluted	0.68% undiluted 1.49% partially diluted
Mathew Wilson	666,700	1,842,107 undiluted 3,825,474 partially diluted	1.63% undiluted 3.34% 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 April 17, 2023 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 insiders of the Company subscribed for an aggregate of 936,700 HD 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 21<sup>st</sup> day of April, 2023.

**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.*