

March 31, 2023

NR 23-05

Strategic Resources Closes Reverse Takeover of BlackRock Metals

Vancouver, British Columbia – Strategic Resources Inc. (TSXV:SR) (the "Company" or "Strategic") is pleased to announce that it has closed the acquisition of BlackRock Metals Inc. announced on December 13, 2022 and the conversion of the subscription receipts to shares (the "Transaction").

Sean Cleary, Strategic CEO & Chairman commented: "This is an excellent time to be taking the BlackRock project public given the positive metal market fundamentals. Our high-purity iron will be required for the transition to green steel and electrification of the iron and steel industry. Our vanadium will be required to fuel increased demand coming from growth in high-tensile steel and the increasing deployment of vanadium redox flow batteries. Continued support from Investissement Québec, Orion Mine Finance and the Cree Nation Government should enable the new Strategic to take advantage of these opportunities."

Strategic Resources Positioning and Near-term Business Plan

Strategic is now a high purity metallic iron and critical minerals company with assets in two world class mining jurisdictions. The Company is focused on providing the highest purity (96% Fe) metallic iron on the market to be utilized in the decarbonizing efforts of the foundry and steel producers in North America and Europe. The vanadium and titanium ferroalloy and energy metals products will also assist in alleviating the critical minerals and battery metals shortage in North America and Europe. The Company will spend the balance of 2023 working to put together a construction financing package for the BlackRock project that would allow Strategic to start construction on the project in 2024.

The business combination provides Strategic with three main assets:

- 1) **Metallurgical processing facility – Canada.** A fully permitted metallurgical facility to be constructed at Port Saguenay in Québec (East Coast deep sea port). The facility will consist of: a pelletizing plant that can take the BlackRock mine site vanadium-titanium-magnetite ("VTM") concentrate or iron concentrate feed from third party groups, a direct reduced iron furnace, open slag bath electric furnace, vanadium converter furnace, conveyor system and wharf access. 38% of the detailed engineering has been completed for this facility. Power and natural gas agreements are in place and the project has all the authorizations needed to start construction.
- 2) **Mine and beneficiation plant – Canada.** A fully permitted mine and concentrator to be constructed in Chibougamau, Quebec. The mine site as contemplated in the November 2022 Feasibility Study ("FS") will consist of one open pit with a 39-year mine life and a magnetite concentrator that will produce approximately one million tonnes of VTM concentrate per year. 61% of the detailed engineering has been completed for this facility. The Armitage pit, which has also has a measured and indicated mineral resource estimate was not included in the FS, but represents a future option for growth and expansion.

Head Office:

1155 Metcalfe Street, Suite 1539
Montréal, Québec, H3B 2V6
Canada

Tel: +1 (604) 646-1890
info@strategic-res.com
www.strategic-res.com

FS Economic Results and Production Summary:

Economic Assumptions		
Exchange Rate	CAD:USD	0.76
Average high purity pig iron price	US\$/t	\$786
Average ferrovanadium price	US\$/kg	\$38.17
Average titanium slag price	US\$/t	\$300
Mining Summary		
Mine life	years	39
Average annual mill feed	Mtpa	3.3
Average annual pig iron production	kt	526
Average annual ferrovanadium production	kt	4.4
Average annual titanium slag production	kt	118
Economic Results		
Initial capital (mine site and metallurgical plant)	C\$M	\$1,471
Pig iron cash costs	US\$/t	\$277
Pig iron all-in-sustaining cash costs	US\$/t	\$306
Ferrovanadium cash costs	US\$/kg	\$13.61
Ferrovanadium all-in sustaining cash costs	US\$/kg	\$15.02
After-tax NPV (8%)	C\$M	\$1,932
After-tax IRR	%	18.2%
Payback period	years	5.4

3) **Mustavaara project – Finland.** The Company completed a Preliminary Economic Assessment (“PEA”) on the past producing Mustavaara mine in Finland project in 2021, which contemplated a smelter and hydrometallurgical plant in Raahe, separate from the mine site and concentrator. Given the planned metallurgical facility in Québec for the BlackRock project and similarities between the BlackRock and Mustavaara concentrate specifications, the Company will now only evaluate a mine site and concentrator operation in Finland, with concentrate expected to be processed at the Quebec facility. The proposed project will have 329 kt of annual pig iron and 4.6 kt of annual FeV80 production over a 20-year mine life, as described in the PEA.

Details of the Transaction

In conjunction with the Transaction:

1. Strategic consolidated its 44,833,038 outstanding shares on a six-for-one basis to 7,472,173 shares;
2. Strategic acquired all of the outstanding shares of BlackRock from the BlackRock shareholders in exchange for 46,666,667 shares of Strategic (on a post-consolidation basis), such that BlackRock is now a wholly-owned subsidiary of Strategic. All of the shares issued to acquire BlackRock are subject to escrow restrictions (as described in ‘Capital Structure’ below);
3. Strategic raised gross proceeds of \$13,500,000 through the sale of subscription receipts, and converted every six receipts to one post-consolidated common share on the basis of \$3.00 per share (or \$0.50 per share on a pre-consolidation basis);
4. Strategic raised gross proceeds of \$500,000 through the sale of convertible notes, and converted the notes and \$9,315 of accrued interest to 169,772 post-consolidated common shares on the basis of \$3.00 per share (or \$0.50 per share on a pre-consolidation basis);
5. Strategic issued a total of 2,256,609 restricted share units (RSUs) to replace outstanding BlackRock RSUs, the exercise of which remains subject to disinterested shareholder approval being received at the Company’s annual general meeting scheduled for April 26, 2023;
6. Strategic prepared a Filing Statement in the form prescribed under the TSX Venture Exchange (“TSXV”) Corporate Finance Manual, which was filed on SEDAR on March 27, 2023;

7. Strategic received the consent of its shareholders to the acquisition of BlackRock, and the change of control resulting therefrom, by way of consent resolution signed by shareholders holding 67.93% of the outstanding shares of Strategic;
8. Strategic and BlackRock received an independent technical report on BlackRock's mineral property, prepared in compliance with NI 43-101. A copy of the technical report has been filed on SEDAR;
9. Strategic received a fairness opinion from Cormark Securities Inc. that the Transaction is fair, from a financial point of view, to the Strategic shareholders;
10. Scott Hicks resigned as CEO and as a director; Tiko Maki resigned as a director; Martin Rip resigned as CFO; each of Sean Cleary, Kurt Wasserman and Amyot Choquette were appointed as new directors; Sean Cleary was appointed CEO, Dan Nir was appointed as CFO; Scott Hicks was appointed Executive Vice-President of Corporate Development; and Charles Spector was appointed Legal and Corporate Secretary;
11. Strategic's head office and principal place of business has been relocated to the Province of Quebec; and
12. The Company's auditors have been changed to KPMG LLP, Chartered Professional Accountants, of 600 de Maisonneuve Ouest Blvd, suite 1500, Montreal, Québec.

Details of the Receipt Offering

Strategic issued a total of 4,500,000 subscription receipts at \$3.00 per subscription receipt (each on a post-consolidation basis; 27,000,000 receipts at \$0.50 per receipt on a pre-consolidated basis) for gross proceeds of \$13,500,000 (the "Receipt Offering"). Each subscription receipt automatically converted to one common share of the Company on closing of the Company's acquisition of BlackRock. The Company plans to use the net proceeds from the Receipt Offering to advance the BlackRock project to a construction decision, continue permitting and pre-feasibility study work at Mustavaara, and for general corporate purposes. All securities issued in the Receipt Offering will be subject to a statutory hold period of four months and one day from the date of issuing the respective Receipts.

Certain officers, directors and other insiders of Strategic participated in the Receipt Offering. This constituted a "related party transaction" within the meaning of TSXV Policy 5.9 and Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) thereof in respect of related party participation in the Receipt Offering as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the Receipt Offering, insofar as it involves the related parties, exceeded 25% of the Company's market capitalization (as determined under MI 61-101).

Board of Directors

Following closing, the board of directors of the Company will be composed of Sean Cleary, Amyot Choquette, Kurt Wasserman, Michael Moore and Mark Serdan. The Company plans to hold an Annual General Meeting on April 26, 2023, where Scott Hicks will also be nominated to the board of directors, expanding the size of the board to six. More details can be found on the Company's SEDAR profile.

Capital Structure

The Company has a total of 58,805,506 shares, 597,500 warrants (expiring April 20, 2023), 489,000 options, and 2,256,609 RSUs outstanding following closing of the Transaction.

The Company is expected to have approximately \$12.7 million of available funds, of which it intends to use \$0.5 million toward mine development work as recommended by the FS. For a full description of the expected use of funds, refer to the Company's Filing Statement on SEDAR.

A total of 49,533,334 shares issued under the Transaction are subject to a TSXV value escrow, to be released as to 10% on receipt of final TSXV approval, and an additional 15% every six months thereafter over 36 months. All of the shares issued on conversion of the subscription receipts and notes are subject to certain resale restrictions, as noted above.

The only persons who hold 10% or more of the Company's outstanding shares following closing are Investissement Québec ("IQ") and OMF Fund II H. Ltd. ("Orion"), each holding 23,999,420 Shares representing 40.81% of the Company's shares. All of their shares are subject to escrow as noted above. The Company has entered into an Investor Rights Agreement with each of IQ and Orion (each a "Shareholder") whereby each Shareholder, for so long as it holds at least a 10% equity interest in the Company:

- (a) will have the right to receive notice of and to participate in any equity financing undertaken by the Company, so as to maintain its equity percentage interest in the Company;
- (b) will have the right to receive a subscription right each time the Company grants options or warrants to third parties to acquire Company shares (other than stock options under the Company's equity compensation plan), in such quantities as to enable the Shareholder to maintain its equity percentage interest in the Company on a fully diluted basis;
- (c) will have the right to nominate persons for appointment as directors of the Company, as to: (i) two nominees for so long as the Shareholder holds at least a 20% equity interest, and (ii) one nominee for so long as the Shareholder holds at least a 10% equity interest;
- (d) will have the right to appoint one member to the Company's Technical Committee (to be a five-person committee established to review operations regarding development of the VTM Property and the Metallurgical Facility);
- (e) will have the right to appoint one of its director nominees to any standing committee of the directors; and
- (f) will have the right to require the Company to file one or more prospectuses and take such other steps as may be reasonably necessary to facilitate a secondary public offering of some or all of the Shareholder's equity interest in the Company, either on its own or in conjunction with a public offering being undertaken by the Company.

Qualified Persons

The FS was prepared by the following Qualified Persons under NI 43-101, each of whom is independent of BlackRock and the Company under NI 43-101, who have reviewed, verified, and approved the scientific and technical data for which they have responsibility contained in this news release pertaining to the FS.

Qualified Person	Company	Scope of responsibility
Claude Bisailon P. Geo.	SGS Geostat	Geology and Mineral Resource Estimation
Isabelle Leblanc, P.Eng.	BBA Inc.	Mineral reserve estimation, mine planning, mining infrastructure
Andre Allaire, P.Eng.	BBA Inc	Processing, Surface infrastructure, estimate integration, financial model, overall NI 43-101 integration
Nathalie Fortin, P.Eng.	WSP	Environmental
Nicolas Skiadas, P.Eng.	Journeaux Associates	Tailings and Water management

Information relating to Mustavaara has been reviewed by Leo Hathaway, P.Geo., Vice President of Strategic and a Qualified Person as defined by NI 43-101.

About Strategic Resources

Strategic Resources Inc. (TSXV:SR) is a Vancouver, Canada-based mineral exploration and development company focused on high-purity iron and vanadium projects in Canada and Finland. The Company is primarily focused on its

flagship BlackRock project, which is a fully permitted and ready to construct mine, concentrator and metallurgical facility in Québec.

Further details are available on the Company's website at <https://strategic-res.com/>. To follow future news releases, please sign up at <https://strategic-res.com/contact/>.

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STRATEGIC RESOURCES INC.

Signed: "Sean Cleary"

Sean Cleary, CEO & Chairman

For further information email info@strategic-res.com or contact:

Alex Meterissian
VP ESG & Communications
+1 (514) 316-7096

Scott Hicks
EVP Corporate Development
+1 (604) 646-1890

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The securities offered pursuant to the Receipt Offering have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Cautionary Note Regarding Forward-Looking Information

Certain statements and information herein, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Such forward-looking statements or information include but are not limited to statements or information with respect to future work program, ability to secure project financing for construction and participation of IQ and Orion in any future financing. Often, but not always, forward-looking statements or information can be identified by the use of words such as "will" or "projected" or variations of those words or statements that certain actions, events or results "will", "could", "are proposed to", "are planned to", "are expected to" or "are anticipated to" be taken, occur or be achieved.

Although management of the Company believes that the assumptions made and the expectations represented by all forward-looking statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to: risks associated with the business of the Company; business and economic conditions in the mining industry generally; the supply and demand for labour and other project inputs; changes in commodity prices; changes in interest and currency exchange rates; risks relating to inaccurate geological and engineering assumptions (including with respect to the tonnage, grade and recoverability of reserves and resources); risks relating to unanticipated operational difficulties (including failure of equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters); risks relating to adverse weather conditions; political risk and social unrest; changes in general economic conditions or conditions in the financial markets; and other risk factors as detailed from time to time in the Company's continuous disclosure documents filed with Canadian securities administrators. Strategic does not undertake to update any forward-looking information, except in accordance with applicable securities laws.