

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan 16, 2017) - - [Scientific Metals Corp.](#) ("STM" or the "Company") (TSX VENTURE:STM) (FRANKFURT:26X) (OTCQB:SCTFF) is pleased to announce the details of a proposed consolidation of its common shares. On January 10, 2017, in accordance with the constating documents of the Company, the board of directors of the Company passed a resolution authorizing the consolidation of the issued and outstanding common shares of the Company on a 4:1 ratio (the "Consolidation").

The Company currently has 121,616,249 common shares issued and outstanding. Following the completion of the Consolidation and not taking into account any adjustments for rounding, the Company anticipates there will be approximately 30,404,062 common shares outstanding.

No fractional shares will be issued as a result of the Consolidation. Shareholders who would otherwise be entitled to receive a fraction of a common share will be rounded down to the nearest whole number of common shares and no cash consideration will be paid in respect of fractional shares.

The exercise price and number of common shares of the Company issuable upon the exercise of outstanding stock options, warrants or other convertible securities will be proportionately adjusted to reflect the Consolidation.

The Company does not intend to change its name or seek a new stock trading symbol from the TSX Venture Exchange ("TSXV") in connection with the Consolidation. The Consolidation remains subject to acceptance by the TSXV.

Following receipt of acceptance by the TSXV, the Company will complete the necessary filings in order to give effect to the Consolidation. Once completed, a letter of transmittal will be sent by mail to shareholders advising them that the Consolidation has taken effect and instructing them to surrender the certificates evidencing their common shares for replacement certificates representing the number of common shares to which they are entitled as a result of the Consolidation. Until surrendered, each certificate formerly representing common shares will be deemed for all purposes to represent the number of common shares to which the holder thereof is entitled as a result of the Consolidation.

The board of directors of the Company is of the view that the Consolidation will provide the Company with greater flexibility for future corporate activities, enhance the marketability of the common shares as an investment and lead to increased interest by a wider audience of potential investors, thereby increasing its ability to raise additional financing to fund operations in the near future.

In addition to the Consolidation, the Company announces that, subject to the approval of the TSXV, the Company proposes to complete a non-brokered private placement of units (each, a "Unit") at a post-Consolidation price of \$0.20 per Unit for gross proceeds of up to \$2,000,000. Each Unit shall be comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant shall entitle the holder to purchase one common share at a post-Consolidation price of \$0.40 per share at any time within 18 months of the date of issuance. All of the securities to be issued under the private placement will be subject to a four month resale restriction. In connection with this transaction, a cash finder's fee shall be payable to an eligible arm's length party in accordance with the policies of the TSX Venture Exchange.

The Company intends to use the net proceeds of this private placement for the Phase One exploration program at its flagship Iron Creek Cobalt Property in Idaho, to advance its Lithium and Cobalt properties and for general working capital purposes.

The Company also reports that the vendor of the Company's Suriname property has issued a Notice of Civil Claim naming the Company, alleging certain unpaid amounts pursuant to its consulting agreement. The Company has retained counsel and will vigorously defend such claim, management being of the view that it is without merit.

Reader Advisory

This news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. . In particular, forward-looking information in this press release includes, but is not limited to, statements with respect to the proposed timing and completion of the Consolidation and the private placement and the proposed use of proceeds from the private placement. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic

conditions in Canada and globally; industry conditions, including governmental regulation and environmental regulation; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; liabilities inherent in water disposal facility operations; competition for, among other things, skilled personnel and supplies; incorrect assessments of the value of acquisitions; geological, technical, processing and transportation problems; changes in tax laws and incentive programs; failure to realize the anticipated benefits of acquisitions and dispositions; and the other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on 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 release.

Contact

[Scientific Metals Corp.](#)

Brian Kirwin, President

(775) 772-0165

bongold@intercomm.com

info@scientificmetalscorp.com

www.scientificmetalscorp.com