

# Serengeti Resources and Sun Metals Announce Interim Order and Update to Merger to Consolidate Copper District in BC

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[Serengeti Inc.](#) (TSX-V: SIR) ("Serengeti") and [Sun Metals Corp.](#) (TSX-V: SUNM) ("Sun Metals") are pleased to announce that Sun Metals has obtained an interim order from the Supreme Court of British Columbia with respect to the previously announced proposed plan of arrangement, pursuant to which Serengeti will acquire all of the issued and outstanding shares of Sun Metals, on the basis of 0.215 of a post-Consolidation (as defined below) Serengeti share for each Sun Metals share, which is 0.43 of a pre-Consolidation Serengeti share for each Sun Metals share on a pre-Consolidation basis (the "Transaction"). Each company will mail out a joint management information circular in connection with the holding of special meetings of the securityholders of Sun Metals, which will be held in accordance with the interim order, and shareholders of Serengeti to approve the Transaction and related matters. The meetings are scheduled to be held concurrently on February 26, 2021, with the record date for Serengeti shareholders and Sun Metals securityholders to receive notice of and vote at each of the Serengeti meeting and Sun Metals meeting having been set at January 15, 2021. Subject to receipt of all requisite approvals and waiver or satisfaction of all relevant conditions, closing of the Transaction is expected to be on or about March 4, 2021.

The Transaction will consolidate the contiguous copper-gold exploration and development assets of Kwanika and Stardust, both of which will benefit from operational synergies as the projects advance with a combined development strategy, along with the robust portfolio of British Columbia copper-gold assets held by the companies. The combined company will be well positioned and capitalized as a result of the recently completed \$10,350,000 upsized subscription receipt financing of Sun Metals (the "Financing") to take advantage of a strengthening copper market.

Upon completion of the Transaction, it is expected that Mark O'Dea will assume the role of Executive Chairman of Serengeti and the Serengeti board of directors will comprise Mark O'Dea, David Moore, Lewis Lawrick, Teodora Dechev, Sean Tetzlaff and Richard Bailes. David Moore will continue as Interim President and Chief Executive Officer until such time as a full time CEO is appointed, and Lauren McDougall will assume the role of Chief Financial Officer and Ian Neill the role of Vice President Exploration. Following the Transaction, current Sun Metals shareholders, not including holders of Sun Metals shares issued on conversion of the subscription receipts issued from the Financing, will hold approximately 40% of the combined company.

## Serengeti Meeting

At the Serengeti special meeting of shareholders, shareholders will be asked to approve the Transaction. The Transaction resolution must be approved by an affirmative vote of a simple majority of the votes cast by Serengeti shareholders present in person or represented by proxy at the meeting.

In addition to approving the Transaction, Serengeti shareholders will be asked to approve resolutions to consolidate its common shares on a two for one basis (the "Consolidation") and amend and restate its stock option plan (the "Amended Option Plan") to, among other things, become a rolling 10% plan. Approval by Serengeti shareholders of these resolutions is a condition to closing the Transaction. Disinterested Serengeti shareholders will also be asked to approve resolutions adopting a deferred share unit plan (the "DSU Plan") and a restricted share unit Plan (the "RSU Plan"). The Amended Option Plan, the DSU Plan and the RSU Plan are all subject to approval by the TSX Venture Exchange.

The Consolidation is anticipated to be completed immediately prior to closing of the Transaction. In addition to shareholder approval, the Consolidation is also subject to approval by the TSX Venture Exchange. Following the Consolidation, the 111,003,368 outstanding shares of Serengeti will be consolidated such that there will be approximately 55,501,684 outstanding shares, not including any Serengeti shares to be issued pursuant to the Transaction. Serengeti also intends to proceed with a name change in connection with the Transaction and Consolidation, which name change will be subject to TSX Venture Exchange approval.

Further details with respect to the name change will be provided when available.

Further details with respect to the Transaction, the Consolidation, and the Amended Option Plan as well as the DSU Plan and RSU Plan will be outlined in a joint management information circular to be circulated to Serengeti shareholders in due course. The joint management information circular will also include instructions on how to vote and participate at the Serengeti meeting scheduled to be held on February 26, 2021.

#### Sun Metals Meeting

At the Sun Metals special meeting of securityholders, securityholders will be asked to approve the Transaction. The Transaction resolution must be approved by an affirmative vote of: (i) 66⅔% of the votes cast on the resolution by Sun Metals shareholders present in person or by proxy at the meeting; (ii) 66⅔% of the votes cast on the resolution by Sun Metals securityholders (voting as a single class) present in person or by proxy at the Sun Metals meeting; and (iii) a majority of the votes cast by Sun Metals shareholders present in person or by proxy at the meeting excluding for this purpose votes attached to Sun Metals shares held by certain persons as required under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.

Further details with respect to the Transaction will be outlined in a joint management information circular to be circulated to Sun Metals securityholders in due course. The joint management information circular will also include instructions on how to vote and participate at the Sun Metals meeting scheduled to be held on February 26, 2021.

#### Board Recommendations and Voting Support

The Transaction has been unanimously approved by the board of directors of both Serengeti and Sun Metals. Both boards of directors recommend that their respective shareholders and securityholders vote in favour of the Transaction. The Serengeti board of directors also recommends that Serengeti shareholders vote in favour of the Consolidation, the amendment to the Serengeti stock option plan as well as the DSU Plan and RSU Plan.

All of the directors and officers of Sun Metals, holding in aggregate 14.03% of the issued and outstanding shares of Sun Metals and 15.38% of the outstanding shares, options and warrants of Sun Metals, have entered into customary voting support agreements agreeing to vote in favour of the Transaction. All of the directors and officers and several large shareholders of Serengeti, holding in aggregate 27.32% of the issued and outstanding shares of Serengeti, have similarly entered into customary voting support agreements agreeing to vote in favour of the Transaction.

This announcement is for informational purposes only and does not constitute an offer to purchase, a solicitation of an offer to sell any shares or a solicitation of a proxy.

#### About Serengeti

Serengeti is a mineral exploration company managed by an experienced team of professionals with a solid track record of exploration success. The Company is currently advancing its majority-owned, advanced Kwanika copper-gold project and exploring its extensive portfolio of properties in north-central British Columbia. Additional information can be found on the Company's website at [www.serengetiresources.com](http://www.serengetiresources.com).

#### About Sun Metals

Sun Metals is advancing its 100% owned flagship, high-grade Stardust Project located in north-central British Columbia, Canada. Stardust is a high-grade polymetallic Carbonate Replacement Deposit with a rich history. Sun Metals also owns the Lorraine copper-gold project, and the OK copper-molybdenum project.

On Behalf of the Board of Directors of [Serengeti Resources Inc.](http://www.serengetiresources.com)

*"David W. Moore"*

President, CEO & Director

On Behalf of the Board of Directors of [Sun Metals Corp.](#)

*"Steve Robertson"*

President, CEO & Director

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Neither 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.

#### Cautionary Statement Regarding Forward Looking Information

All statements, trend analysis and other information contained in this press release about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. All statements, other than statements of historical fact, included herein, including, without limitation, statements regarding anticipated benefits of the Transaction, the closing of the Transaction, the Financing, the Consolidation, the Kwanika and Stardust (the "Projects"), including anticipated operational synergies between the properties, holding of a shareholder meeting of Serengeti and securityholder meeting of Sun Metals are forward-looking statements. Although Serengeti and Sun Metals (the "Companies") believe that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements since the Companies can give no assurance that such expectations will prove to be correct. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including the risks, uncertainties and other factors identified in the Companies' periodic filings with Canadian securities regulators, and assumptions made with regard to: the Companies' ability to complete the proposed Transaction; the Companies' ability to secure the necessary shareholder, securityholder, legal and regulatory approvals required to complete the Transaction and meeting the other conditions to the closing of the Transaction; the estimated costs associated with the advancement of the Projects; and the Companies' ability to achieve the synergies expected as a result of the Transaction. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Important factors that could cause actual results to differ materially from the Companies' expectations include risks associated with the business of Serengeti and Sun Metals; risks related to the satisfaction or waiver of certain conditions to the closing of the Transaction; non-completion of the Transaction; risks related to reliance on technical information provided by Serengeti and Sun Metals; risks related to exploration and potential development of the Projects; business and economic conditions in the mining industry generally; fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; the need for cooperation of government agencies and native groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals; and other risk factors as detailed from time to time and additional risks identified in Serengeti and Sun Metals's filings with Canadian securities regulators on SEDAR in Canada (available at [www.sedar.com](http://www.sedar.com)). Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Neither Serengeti nor Sun Metals undertakes any obligation to update forward-looking statements except as required by

applicable securities laws. Investors should not place undue reliance on forward-looking statements.

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