

Musk Metals Enters into Pluto Property Option Agreement to Focus on Lithium Projects

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VANCOUVER, January 25, 2022 - [Musk Metals Corp.](#) ("MUSK METALS" OR THE "COMPANY") (CSE:MUSK)(OTC PINK:EMSKF)(FSE:1I30) is pleased to announce, further to its news release dated October 27, 2021, it has entered into a property option agreement dated January 19, 2022 (the "Option Agreement") with Jinhua Capital Corporation ("Jinhua"), a capital pool company ("CPC") as defined under Policy 2.4 - Capital Pool Companies ("Policy 2.4") of the TSX Venture Exchange (the "Exchange"), pursuant to which the Company has agreed to grant an option (the "Option") for Jinhua to earn up to a 100% interest in and to the 58 mineral claims that constitute the Pluto Gold and Base Metals Property, located in the Dolomieu and Daubree Townships of Quebec (the "Pluto Property") in accordance with the terms and conditions as described in the Option Agreement (the "Transaction").

Summary of the Transaction

First Option

The Option may be exercised by Jinhua acquiring an initial 80% interest in and to the Pluto Property (the "First Option") by:

- paying \$118,324 in cash, common shares of Jinhua (each, a "Jinhua Share"), or combination thereof, at the sole election of Jinhua on the closing date of the Transaction (the "Closing Date"); and
- paying an additional \$118,324 in cash, Jinhua Shares, or combination thereof, at the sole election of Jinhua on or before the date that is 18 months from the Closing Date.

Upon satisfaction of the payments set out above, the first stage of the Option will be deemed to be exercised and Jinhua will earn an 80% interest in and to the Pluto Property. Any Jinhua Shares issued in connection with the Option will be issued at the price of the Private Placement Financing (as defined below), or as otherwise required by the Exchange. All Jinhua Shares issued will be subject to a restricted period of four months and one day.

Upon exercise of the First Option, Jinhua and Musk will be deemed to have formed a joint venture (the "Joint Venture") on an 80% - 20% basis, respectively, and will promptly execute a joint venture agreement based upon the material terms attached to the Option Agreement. Jinhua will initially have a participating interest in the Joint Venture and Musk will have a carried interest in the Joint Venture until the earlier of: (a) exercise of the Second Option as defined below; and (b) termination of the Second Option. In the event the Second Option is terminated for failing to satisfy the conditions thereof, Musk's interest in the Pluto Property will automatically change to a participating interest.

Second Option

Jinhua may exercise the Option to acquire the remaining 20% interest in and to the Pluto Property (the "Second Option") by:

- incurring at least \$250,000 in qualified exploration and development expenditures on the Pluto Property ("Expenditures") on or before the fourth anniversary of the execution of the Definitive Agreement; and
- incurring at least an additional \$500,000 (\$750,000 in the aggregate) in Expenditures on or before the fifth anniversary of the execution of the Definitive Agreement.

Upon satisfaction of incurring the expenditures set out above, the Second Option will be deemed to be exercised and Jinhua will acquire an additional 20% (100% in the aggregate) interest in and to the Pluto

Property. Upon the exercise of the Second Option, the Joint Venture will terminate. In the event that Jinhua fails to satisfy the conditions to exercise the Second Option, the Second Option will terminate, Musk's interest will automatically change from a carried interest to a participating interest, and the parties will proceed to advance the Pluto Property in accordance with the Joint Venture terms.

Optionor Expenditures

Pursuant to the terms of the Option Agreement, from January 19, 2022 to December 31, 2022, Musk has the sole and exclusive right to conduct Expenditures on the Pluto Property of up to \$200,000 (the "Optionor Expenditures"). Upon complying with certain notice and accounting requirements as set out in the Option Agreement, Jinhua has agreed to reimburse the Optionor Expenditures to Musk in cash, Jinhua Shares, or combination thereof, at the sole election of Jinhua. Any Jinhua Shares issuable will be subject to the approval of the Exchange and issued at the Discount Market Price as of the date that the expenditure certificate is received by Jinhua, or as otherwise required by the Exchange. All such Jinhua Shares issued will be subject to a restricted period of four months and one day.

Joint Venture Terms

Upon the formation of the Joint Venture, Jinhua will have an initial participating interest of 80% and Musk will have an initial carried interest of 20% until the earlier of the exercise of the Second Option and the termination of the Second Option. In the event the Second Option is exercised, the Joint Venture will terminate. In the event the Second Option is terminated, Musk's interest in the Pluto Property will automatically change to a participating interest.

The parties will bear their respective proportionate costs in connection with advancing the Pluto Property. The Pluto Property will be held in the names of the parties jointly as tenants in common in proportion to their interests. Legal title will be transferred and held in the name of the operator in trust for the benefit of the Joint Venture. A management committee will be created to supervise and coordinate the development of the Pluto Property and to consider and approve operations plans and operating programs. Each party will have the right to appoint one representative to the management committee for each 20% interest in the Joint Venture held.

Jinhua, being the party with the larger initial interest, will be the initial operator under the Joint Venture. The operator is entitled to include in costs a charge for management supervision and corporate administration of the Joint Venture equal to: (a) 5% of costs for exploration work until a feasibility report is commissioned; (b) 3% of costs following feasibility to production; and (c) 5% during the period in which a mine closure plan is effective.

In the event a party has its interests reduced to below 10% through dilution by not participating in development and costs, the party's interests will be reduced to a 1% royalty of the net smelter returns from the Pluto Property as and when produced.

General Terms

The parties anticipate they will close the Qualifying Transaction and grant the Option on or before March 31, 2022 (the "Closing Date").

About Musk Metals Corp.

Musk Metals is a publicly traded exploration company focused on the development of highly prospective, discovery-stage mineral properties located in some of Canada's top mining jurisdictions. The growing portfolio of mineral properties exhibit favorable geological characteristics in underexplored areas within the prolific "Electric Avenue" pegmatite field of northwestern Ontario, the "Abitibi Lithium Camp" of southwestern Quebec, the "Golden Triangle" district of British Columbia, the Mineral Rich "Red Lake" mining camp of Northwestern Ontario and the "Chapais-Chibougamau" mining camp, the second largest mining camp in Quebec, Canada.

Make sure to follow the Company on Twitter, Instagram and Facebook as well as subscribe for Company updates at <http://www.muskm Metals.ca/>.

ON BEHALF OF THE BOARD

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FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements. All statements, other than statements of historical fact that address activities, events, or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements regarding the intended use of proceeds of the Offering and other matters regarding the business plans of the Company. The forward-looking statements reflect management's current expectations based on information currently available and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking statements including that the Company may use the proceeds of the Offering for purposes other than those disclosed in this news release; adverse market conditions; and other factors beyond the control of the Company. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty. Factors that could cause actual results or events to differ materially from current expectations include general market conditions and other factors beyond the control of the Company. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

The Canadian Securities Exchange (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.

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