
Serra Energy Enters Sale Agreement on Myrtleford and Beaufort Projects and Proposes Share Consolidation

Vancouver, B.C., December 18, 2024. Serra Energy Metals Corp. (CSE: SEEM, OTCQB: ESVNF) (“Serra” or the “Company”) is pleased to announce it has entered an agreement dated December 17, 2024 (the “Agreement”) with Advance Metals Limited (ASX: AVM) (“Advance”) whereby it has agreed to sell 80% of its interest in the Myrtleford and Beaufort projects located in Australia (the “Projects”). The Company’s wholly-owned subsidiary, E79 Resources Pty Ltd. (“E79”), is the legal owner of 100% of the mining tenements comprising the Projects. The Company will affect the sale by selling to Advance 80% of the ordinary shares in E79 (“E79 Shares”). Completion of the sale is conditional upon a waiver from the Australian Securities Exchange to allow Advance to issue the Consideration Shares (defined below) or applicable Advance shareholder approvals, and receipt of all regulatory and other required approvals (collectively, the “Conditions”). Pursuant to the terms of the Agreement, Advance will be appointed as the operator of the Projects until all of the Consideration Shares (defined below) have been issued.

Pursuant to the terms of the Agreement, as consideration to acquire the E79 Shares, Advance will issue Serra the following:

- (i) ordinary shares in Advance (“AVM Shares”) having a value of C\$400,000 calculated by dividing the 20-day volume weighted average trading price of the AVM Shares (“20-Day VWAP”) on the date the Conditions are satisfied (“Initial Share Issue”);
- (ii) AVM Shares equal to C\$500,000 divided by the 20-Day VWAP on the date 18-months following the Initial Share Issue;
- (iii) AVM Shares equal to C\$1,600,000 divided by the 20-Day VWAP on the date 36-months following the Initial Share Issue; and
- (iv) AVM Shares equal to C\$500,000 divided by the 20-Day VWAP on the date 48-months following the Initial Share Issue,

(collectively, the “Consideration Shares”).

Since the AVM Shares trade in Australian dollars, the quantum of each issue of Consideration Shares will be based on the prevailing exchange rate of Australian dollars to Canadian dollars as published by the Reserve Bank of Australia on its website as at the date of the relevant issuance of Consideration Shares.

Following the issuance of all Consideration Shares, the Company will transfer 80% of the E79 Shares to Advance and the parties will enter into an agreement governing the operation of the Projects as a joint venture (the “Joint Venture”). Proportional to their interest in E79 and the Projects, Serra will hold a 20% interest in the Joint Venture and Advance will hold an 80% interest in the Joint Venture. In addition, Advance will grant Serra a 1% net smelter return royalty in respect of any gold production from Projects.

The Conditions must be satisfied by April 30, 2025, or such later date as agreed to by the parties. If the Conditions are not satisfied by such date, either party may terminate the Agreement.



Each party also has certain withdrawal and termination rights. Prior to the issuance of all Consideration Shares, Advance may provide Serra with notice of its intention to withdraw from the Agreement. Following such withdrawal, Advance must return all technical information and ensure the tenements comprising the Projects are in good standing and have sufficient exploration expenditures on them to meet the statutory expenditure requirements for the next twelve months. Prior to the issuance of all Consideration Shares, Serra may provide Advance with notice of its intention to terminate the Agreement if Advance is in material breach of the Agreement or Advance is removed as the operator of the Projects in accordance with the terms of the Agreement.

Share Consolidation

The Company also wishes to announce a proposed consolidation of its issued and outstanding common shares (“**Common Shares**”) at a ratio of up to ten (10) pre-consolidation Common Shares for every one (1) post-consolidation Common Share (the “**Consolidation**”). The proposed Consolidation is subject to the Company’s filing requirements with the Canadian Securities Exchange.

If the Consolidation is completed at the maximum proposed ratio of 10:1, the 65,111,145 Common Shares currently outstanding will be reduced to approximately 6,511,115 Common Shares. No fractional shares would be issued as a result of the Consolidation. Any fractional shares resulting from the Consolidation would be rounded up or down to the nearest whole Common Share, as applicable, and no cash consideration would be paid in respect of fractional shares.

The effective date of the Consolidation and the new CUSIP and ISIN numbers of the Common Shares will be disclosed in a subsequent news release. There will be no change in the Company’s name or trading symbol on the Canadian Securities Exchange as a result of the Consolidation.

About Serra Energy Metals Corp.

Serra Energy Metals Corp. is focused on the acquisition, exploration, and development of green metal projects, with an emphasis on identifying and investigating exploration targets that are drill-ready and situated near infrastructure.

Vince Sorace

Interim President and CEO

For further information regarding Serra, please visit our website at www.serrametals.com. Tel: (778) 373-3749.

Cautionary Note Regarding Forward-Looking Statements

This news release contains certain statements that may be deemed “forward-looking statements” with respect to the Company within the meaning of applicable securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “indicates”, “opportunity”, “possible” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Forward-looking statements in this news release include, but are not limited to: the Conditions being satisfied on or before April 30, 2025, if at all; the receipt of a waiver from the Australian Securities Exchange to issue the Consideration Shares; completion of the transactions contemplated by the Agreement; the number and value of AVM Shares the Company will be issued; the entry of a joint venture agreement by the parties and the grant of the net smelter return royalty in favor of Serra; statements with respect to the effective date of the Consolidation; and the ratio of the

Consolidation and anticipated number of Common Shares issued and outstanding following completion of the Consolidation. Although Serra believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, are subject to risks and uncertainties, and actual results or realities may differ materially from those in the forward-looking statements. Such material risks and uncertainties include, but are not limited to: the Company's ability to raise sufficient capital to fund its obligations under its property agreements going forward, to maintain its mineral tenures and concessions in good standing, and to explore and develop its projects; changes in economic conditions or financial markets; the inherent hazards associated with mineral exploration and mining operations; future prices of gold, nickel, copper, cobalt, lithium and other metals; changes in general economic conditions; accuracy of mineral resource and reserve estimates; the potential for new discoveries; the ability of the Company to obtain the necessary permits and consents required to explore, drill and develop the projects and if obtained, to obtain such permits and consents in a timely fashion relative to the Company's plans and business objectives for the applicable project; the general ability of the Company to monetize its mineral resources; and changes in environmental and other laws or regulations that could have an impact on the Company's operations, compliance with environmental laws and regulations, dependence on key management personnel and general competition in the mining industry. Forward-looking statements are based on the reasonable beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

Neither the Canadian Securities Exchange nor its Market Regulator accepts responsibility for the adequacy or accuracy of this news release.