

Metallic Minerals Corp. Acquires Additional Properties Totalling 43.5 Square Kilometres in the Keno Hill Silver District of Yukon, Canada

January 4, 2017, Vancouver, B.C., Metallic Minerals Corp. (TSX-V: MMG; US OTC: MMNGF) (“Metallic Minerals” or the “Company”) is pleased to announce that it has negotiated agreements to acquire a 100% interest in three new properties covering 13.3 square kilometres in the Keno Hill silver district of Canada’s Yukon Territory. In addition, Metallic Minerals has staked another 30.2 square kilometres of prospective ground in the district. These properties are adjacent to, or contiguous with, Metallic Minerals’ Keno-Lightning property and Alexco Resource Corp.’s (TSX: AXR; NYSE-MKT: AXU) Keno Hill properties (see Figure 1) and represent potential near term targets for exploration activities expected in 2017.

The Keno Hill silver district hosts 40 different historic silver producing deposits, with the seven largest mines individually producing from 10 million ounces up to 100 million ounces of silver. Metallic Minerals’ Keno Hill holdings now cover 112.5 square kilometres and host six historic producing mines, including the Duncan, Caribou Hill and Silver Basin mines with some of the highest recovered grades in the district at over 5,000 g/t silver (see Footnote 1).

Greg Johnson, Metallic Minerals’ Chairman & CEO stated, “We are very pleased with the addition of these properties to our land holdings in the Keno Hill silver district, one of the world’s highest-grade silver districts with past production of over 200 million ounces of silver grading 1,300 g/t. This grade would rank Keno Hill in the top 3% by grade of today’s global silver producers². These new properties expand our Keno Hill holdings by 60% and give us several new priority targets that add to those for planned follow up exploration in 2017.”

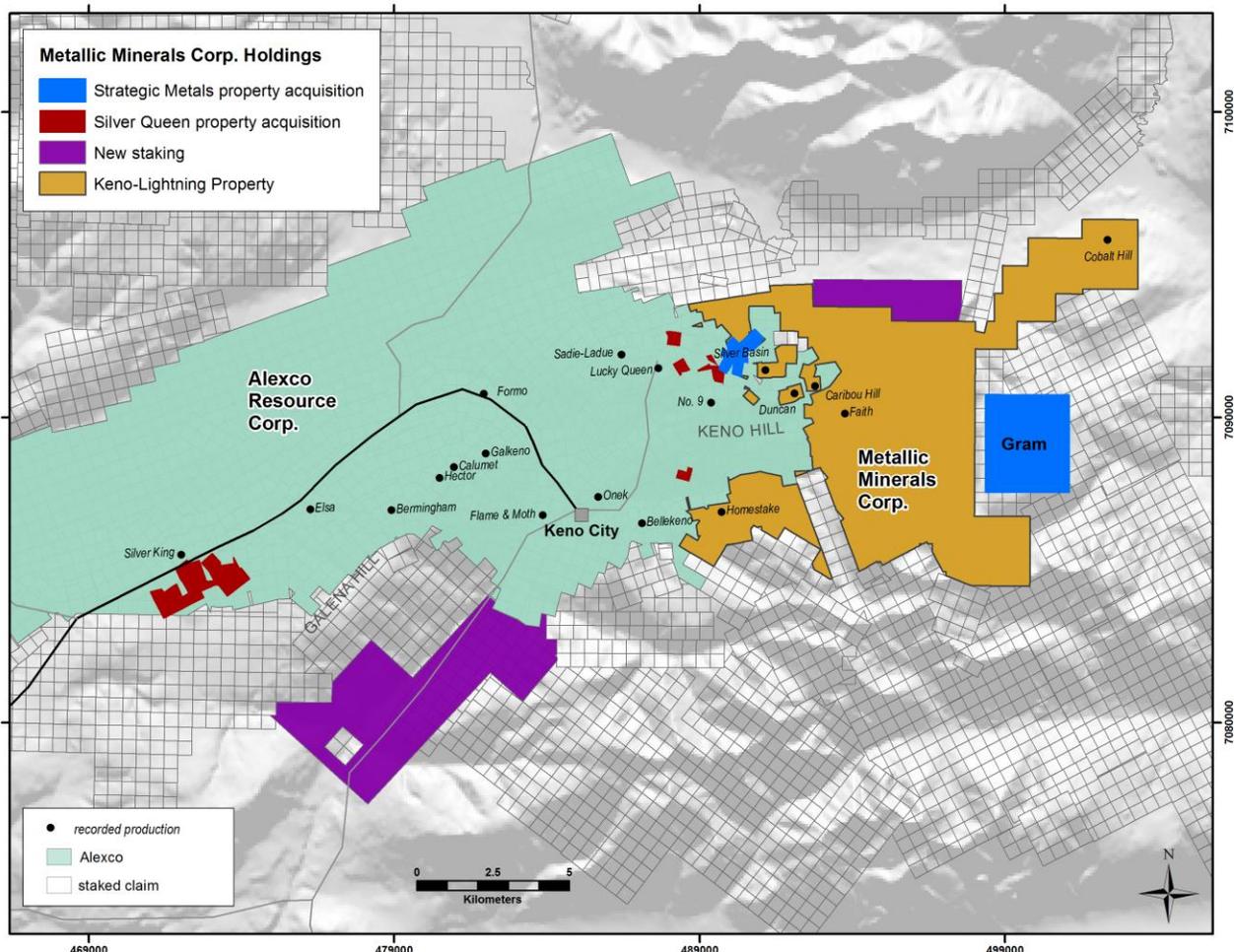


Figure 1 – Metallic Minerals Keno Hill Claims

Silver Queen Property

Property Highlights

The Silver Queen claims are being acquired from an arm's length, private party and are located in the upper section of Galena Creek, near where silver was first discovered in the Keno Hill silver district. Comprised of 22 claims, Silver Queen is centered over the Sourdough Hill sequence of the Keno Hill quartzite adjacent to Alexco's Silver King mine. Between 1929 and 1939, the Silver King mine produced 11 million ounces of silver at an average grade of 1,800 g/t or 53 oz/t. In 2006, Alexco discovered the Silver King East deposit 600m northeast of the historic Silver King mine. The deposit, hosted in greenstones, contains bonanza silver grades along with significant gold, as well as broader zones of well mineralized disseminated material, which may indicate potential for larger bulk minable targets in the area. Limited modern exploration has been done on the Silver Queen claims, but it is highly prospective to host extensions of the high-grade silver mineralization seen at Silver King and will be an area of focus in 2017.

Transaction Highlights

Metallic Minerals will purchase a 100% interest in the Silver Queen properties for cash payments totaling \$75,000 and issuance of 100,000 common shares of Metallic Minerals following regulatory approval. The property is subject to a 2% net smelter returns royalty (NSR) on production with a buy back provision of \$150,000 in cash for each 1% portion of the NSR.

Keno Summit & Gram Properties

Property Highlights

Keno Summit - Metallic Minerals is acquiring 21 additional claims on Keno Hill, in the Keno Summit area. Keno Hill was the site of a staking rush following the discovery in 1919 of the high-grade silver veins of the No. 9 system on Keno Summit. No.9's high-grade shoots (average silver grade from mine records of 6,960 g/t or 203 oz/ton silver) stimulated the development of the Keno Hill camp. The No. 9 system and subparallel vein systems, including the Lucky Queen, were responsible for the bulk of the silver production during the early twenties. These vein systems and additional subparallel vein systems run northeast across Keno Hill and trend across some of the new claims. Surface exploration, mostly limited to hand trenching, short adits and shallow shafts, has been undertaken on these claims and exposed veins and targets with potential to host Keno Hill style high-grade silver mineralization. The Keno Summit area will be an area of focus for exploration in 2017.

Gram - The Gram property covers 8.7 square kilometres of prospective ground on the east side of the Keno-Lightning Property. The property was originally staked in the 1960's with subsequent mapping and trenching returning high-grade silver and base metal values. There are at least two coincident lead-zinc geochemical anomalies on the property. Additionally, selective grab samples collected historically from a high-grade vein exposed by trenching included 857 g/t silver and 7.7% lead and 446 g/t silver and 0.2% lead, respectively. More recent work has included an airborne geophysical survey over the property which identified further high-grade showings for follow up. Additional exploration work is planned in this area in 2017.

Transaction Highlights

Metallic Minerals will purchase 100% of Strategic Metals Ltd. (TSX-V: SMD) interests in the Keno Summit & Gram Properties by issuing two tranches of units in Metallic Minerals to Strategic Metals.

The first tranche will consist of 50,000 units of Metallic Minerals following regulatory approval, with such units consisting of one common share and one non-transferable common share purchase warrant. Each warrant shall entitle Strategic to acquire one common share at a price of \$0.65 at any time within 2 years of the date of issuance.

A second tranche of units shall be issued at closing on February 15, 2017 with the number of units to be calculated by dividing \$75,000 by the preceding 10-day volume weighted average price (VWAP) of the shares on the TSX Venture Exchange. Such units shall consist of one common share and one non-transferable common share purchase warrant, with each warrant entitling Strategic Metals to acquire one common share at a price equal to 130% of the applicable VWAP. The exercise period of such warrants will be two years from the date of issuance.

Both sets of warrants are subject to an accelerated expiry should the shares trade at least 70% higher than the applicable issue price or deemed issue price of the common shares for 10 consecutive trading days, as applicable, for the first or second tranche of units.

On closing of the transaction, Metallic Minerals will own an undivided 100% interest in the Keno Summit and Gram Properties subject to a 2% NSR for precious metals and a 1% NSR for base metals to Strategic Metals. The Company has a buy back option to purchase the NSR from Strategic Metals.

Closing of the above transactions is subject to approval by the TSX Venture Exchange and other conditions that are customary in comparable transactions. The shares will be subject to a four month hold period following issuance.

Recent Keno-Lightning Project Work

Metallic Minerals conducted surface sampling in the fall of 2016 on its Keno-Lightning project and anticipates release of the assay results of that surface sampling in January 2017. The Company continues compiling and integrating recent and historic geologic and geophysical data into its project database and modelling work. Refinement of priority targets is underway for follow up exploration programs on the expanded Keno-Lightning project in 2017 to include geophysical and geochemical surveys, stratigraphic mapping, trenching and drilling.

About Metallic Minerals Corp.

Metallic Minerals Corp. is focused on the acquisition & development of silver and gold resources in mining friendly jurisdictions within districts proven to produce top-tier "company-making" assets, yet that remain underexplored. Our objective is to create value through a disciplined, entrepreneurial approach to exploration, reducing investment risk and increasing the probability for long-term success. Our core Keno-Lightning property is located in the historic Keno Hill silver district of Canada's Yukon Territory, a region which has produced over 200 million ounces of high-grade silver and currently hosts one of the world's highest grade silver resources. Metallic Minerals is led by a team with a track record of discovery and exploration success, including large scale development, permitting and project financing.

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Footnotes: 1. Cathro, R.J. (2006) Great Mining Camps of Canada 1. The History and Geology of the Keno Hill Silver Camp, Yukon Territory; Geoscience Canada, vol. 33. 2. Yukon Government's Minfile database. Between 1921 and 1988, the Keno Hill Silver District was a world-class silver producer, with more than 217 million ounces of silver produced at average grades of 40.5 ounces per ton silver, 5.6% lead and 3.1% zinc.

The technical information contained in this news release has been reviewed and approved by Scott Petsel, P.Geo, who is the Qualified Person under National Instrument 43-101.

Forward-Looking Statements

Forward Looking Statements: This news release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts including, without limitation, statements regarding potential mineralization, historic production, estimation of mineral resources, the realization of mineral resource estimates, interpretation of prior exploration and potential exploration results, the timing and success of exploration activities generally, the timing and results of future resource estimates, permitting time lines, metal prices and currency exchange rates, availability of capital, government regulation of exploration operations, environmental risks, reclamation, title, and future plans and objectives of the company are forward-looking statements that involve various risks and uncertainties. Although Metallic Minerals believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements are based on a number of material factors and assumptions. Factors that could cause actual results to differ materially from those in forward-looking statements include failure to obtain necessary approvals, unsuccessful exploration results, changes in project parameters as plans continue to be refined, results of future resource estimates, future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, risks associated with regulatory changes, defects in title, availability of personnel, materials and equipment on a timely basis, accidents or equipment breakdowns, uninsured risks, delays in receiving government approvals, unanticipated environmental impacts on operations and costs to remedy same, and other exploration or other risks detailed herein and from time to time in the filings made by the companies with securities regulators. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral exploration and development of mines is an inherently risky business. Accordingly, the actual events may differ materially from those projected in the forward-looking statements. For more information on Metallic Minerals and the risks and challenges of their businesses, investors should review their annual filings that are available at www.sedar.com.

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.