

MATERIAL CHANGE REPORT

Form 51-102F3

Section 7.1 of National Instrument 51-102

Item 1. Name and Address of Company

Cartier Silver Corporation
20 Adelaide Street East
Suite 200
Toronto, Ontario M5C 2T6

Item 2. Date of Material Change

December 15, 2022 and December 22, 2022

Item 3. News Release (including date and method of dissemination)

Two new releases were issued via GlobeNewswire on December 16, 2022 and December 22, 2022, respectively.

Item 4. Summary of Material Change

On December 15, 2022, Cartier Silver Corporation ("**Cartier Silver**" or the "**Company**") closed the first tranche of a previously announced (see Cartier Silver news releases dated November 22, 2022 and December 16, 2022) non-brokered private placement (the "**Private Placement**") for proceeds of \$3,000,500 pursuant to the offering of up to 10,000,000 units of Cartier Silver at a price of \$0.40 per unit ("**Units**") for aggregate proceeds of up to \$4,000,000. A total of 7,501,250 Units were issued to investors in connection with the first closing of the Private Placement.

Each of the Units issued consists of one common share in the capital of Cartier Silver (a "**Common Share**") and one half of one Common Share purchase warrant (each whole, a "**Warrant**"). Each Warrant entitles the holder to purchase one Common Share at a price of \$0.70 per share for a term of 30 months from the issuance date.

In connection with this initial closing of the Private Placement, arm's length finders received as compensation cash commissions aggregating \$76,890.

On December 22, 2022, the Company closed the final tranche of the Private Placement for additional proceeds of \$999,500 pursuant to the offering. A total of 2,498,750 Units were issued to investors in connection with the final closing of the Private Placement.

In connection with this final closing of the Private Placement, an arm's length finder received as compensation cash commissions aggregating \$4,905.

The net proceeds of the Private Placement will be used to finance exploration at the optioned Chorrillos Project and at the additional claims staked by the Company's subsidiary in the Potosi Department, Bolivia and for working capital purposes. All securities issued pursuant to the Private Placement are subject to the applicable statutory four-month hold period.

Some insiders of Cartier Silver participated in the Private Placement ("**Insiders**"). The part of the Private Placement in respect of the issuance of Units to Insiders constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). A formal

valuation was not required under MI 61-101 because the fair market value of the consideration for the transaction involving the Insiders was only \$122,500 and, accordingly, does not exceed 25% of the Company's market capitalization as of the date of the Private Placement. Similarly, minority shareholder approval was also not required under MI 61-101 because the fair market value of the consideration for the transaction involving the Insiders does not exceed 25 percent of the Company's capitalization as of the date of the Private Placement.

The Insiders who participated in this Private Placement made their decisions to do so shortly before the closing of the Private Placement and, given the uncertainty as to whether Insiders would participate in the Private Placement and to what extent, the Company did not have the opportunity to announce this related party transaction 21 days in advance of closing of the first tranche.

Subscribers to the Private Placement also included two investment funds (collectively, the "**Fund**") which invested a total of \$700,000 by purchasing 1,750,000 Units. In connection with the purchase of the 1,750,000 Units, Cartier Silver granted the Fund the right (the "**Participation Right**") to participate, subject to applicable securities laws and stock exchange policies, in any private placement or public offering of securities of the Company, other than certain "excluded issues" (such as the grant or exercise of incentive stock options or the exercise of currently outstanding warrants). More specifically, the Participation Right provides the Fund with the right to subscribe for that percentage of the securities being offered by the Company as is equal to the percentage of the outstanding Common Shares of the Company then owned by the Fund. Such Participation Right terminates on the date on which the Fund's ownership of outstanding Common Shares falls below 3% of the then outstanding Common Shares.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

On December 15, 2022, Cartier Silver Corporation ("**Cartier Silver**" or the "**Company**") closed the first tranche of a previously announced (see Cartier Silver news releases dated November 22, 2022 and December 16, 2022) non-brokered private placement (the "**Private Placement**") for proceeds of \$3,000,500 pursuant to the offering of up to 10,000,000 units of Cartier Silver at a price of \$0.40 per unit ("**Units**") for aggregate proceeds of up to \$4,000,000. A total of 7,501,250 Units were issued to investors in connection with the first closing of the Private Placement.

Each of the Units issued consists of one common share in the capital of Cartier Silver (a "**Common Share**") and one half of one Common Share purchase warrant (each whole, a "**Warrant**"). Each Warrant entitles the holder to purchase one Common Share at a price of \$0.70 per share for a term of 30 months from the issuance date.

In connection with this initial closing of the Private Placement, arm's length finders received as compensation cash commissions aggregating \$76,890.

On December 22, 2022, the Company closed the final tranche of the Private Placement for additional proceeds of \$999,500 pursuant to the offering. A total of 2,498,750 Units were issued to investors in connection with the final closing of the Private Placement.

In connection with this final closing of the Private Placement, an arm's length finder received as compensation cash commissions aggregating \$4,905.

The net proceeds of the Private Placement will be used to finance exploration at the optioned Chorrillos Project and at the additional claims staked by the Company's

subsidiary in the Potosi Department, Bolivia and for working capital purposes. All securities issued pursuant to the Private Placement are subject to the applicable statutory four-month hold period.

Some insiders of Cartier Silver participated in the Private Placement (“**Insiders**”). The part of the Private Placement in respect of the issuance of Units to Insiders constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). A formal valuation was not required under MI 61-101 because the fair market value of the consideration for the transaction involving the Insiders was only \$122,500 and, accordingly, does not exceed 25% of the Company’s market capitalization as of the date of the Private Placement. Similarly, minority shareholder approval was also not required under MI 61-101 because the fair market value of the consideration for the transaction involving the Insiders does not exceed 25 percent of the Company’s capitalization as of the date of the Private Placement.

The Insiders who participated in this Private Placement made their decisions to do so shortly before the closing of the Private Placement and, given the uncertainty as to whether Insiders would participate in the Private Placement and to what extent, the Company did not have the opportunity to announce this related party transaction 21 days in advance of closing of the first tranche.

Subscribers to the Private Placement also included two investment funds (collectively, the “**Fund**”) which invested a total of \$700,000 by purchasing 1,750,000 Units. In connection with the purchase of the 1,750,000 Units, Cartier Silver granted the Fund the right (the “**Participation Right**”) to participate, subject to applicable securities laws and stock exchange policies, in any private placement or public offering of securities of the Company, other than certain “excluded issues” (such as the grant or exercise of incentive stock options or the exercise of currently outstanding warrants). More specifically, the Participation Right provides the Fund with the right to subscribe for that percentage of the securities being offered by the Company as is equal to the percentage of the outstanding Common Shares of the Company then owned by the Fund. Such Participation Right terminates on the date on which the Fund’s ownership of outstanding Common Shares falls below 3% of the then outstanding Common Shares.

This report does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

5.2 Disclosure for Restructuring Transactions

Not applicable

Item 6. Reliance on Section 7.1(2) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Multilateral Instrument 61-101

As set out above, some insiders of the Company participated in the Private Placement. Francis Sauve, who is a director of the Company, purchased 60,000 of the Units, Donald Sheldon, who is a director of the Company, purchased 50,000 of the Units, Jorge Estepa, who is Vice-President and Secretary-Treasurer of the Company, purchased 65,000 of the Units, Miles Nagamatsu, who is Chief Financial Officer of the Company, purchased 66,250 of the Units and Thomas Larsen, who is Chief Executive Officer and a director of the Company, purchased 65,000 of the Units (the said individuals shall be referred to herein collectively as the “**Insiders**” and individually as an “**Insider**”). The issuance of these Units to each Insider is a “related party transaction” within the meaning of Multilateral Instrument 61-101 entitled *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) (a director of the Company and a senior officer of the Company is a “related party” of the Company within the meaning of MI 61-101). Section 5.2 of MI 61-101 requires that certain information be disclosed in this material change report with respect to the Private Placement, as follows:

- (a) *Description of the transaction and its material terms:*

See the above paragraph, as well as items 4 and 5 above.

- (b) *Purpose and business reasons for the transaction:*

The Private Placement provided funds to be used by the Company to finance exploration at the optioned Chorrillos Project and at the additional claims staked by the Company’s subsidiary in the Potosi Department, Bolivia, and for working capital purposes.

- (c) *Anticipated effect of the transaction on the issuer's business and affairs:*

The Private Placement improved the Company’s financial position by providing funds to be used by the Company to finance exploration at the optioned Chorrillos Project and at the additional claims staked by the Company’s subsidiary in the Potosi Department, Bolivia, and for working capital purposes. The Private Placement also resulted in a significant number of shares being issued (and issuable) by the Company, as set out in items 4 and 5 above.

- (d) *Description of (i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties, and (ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:*

Immediately prior to the closing of the Private Placement: (i) Francis Sauve held 274,935 (or 0.98%) of the outstanding common shares of the Company, 30,000 stock options and 100,000 common share purchase warrants; (ii) Donald Sheldon held 87,936 (or 0.31%) of the outstanding common shares of the Company and 20,000 common share purchase warrants; (iii) Jorge Estepa held 841,937 (or 3.01%) of the outstanding common shares of the Company, 100,000 stock options and 198,600 common share purchase warrants; (iv) Miles Nagamatsu held 779,059 (or 2.78%) of the outstanding common shares of the Company, 100,000 stock options and 200,000 common share purchase warrants; and (v) Thomas Larsen held 1,425,723 (or 5.09%) of the outstanding common shares of the Company, 200,000 stock options and 360,000 common share purchase warrants.

Taking into account the Units acquired under the Private Placement: (i) Francis Sauve now owns or controls a total of 334,935 common shares of the Company (representing

0.88% of the common shares outstanding immediately following the closing of the Private Placement), 30,000 Warrants and the stock options and additional common share purchase warrants referred to in the above paragraph; (ii) Donald Sheldon now owns or controls a total of 137,936 common shares of the Company (representing 0.36% of the common shares outstanding immediately following the closing of the Private Placement), 25,000 Warrants and the additional common share purchase warrants referred to in the above paragraph; (iii) Jorge Estepa now owns or controls a total of 906,937 common shares of the Company (representing 2.39% of the common shares outstanding immediately following the closing of the Private Placement), 32,500 Warrants and the stock options and additional common share purchase warrants referred to in the above paragraph; (iv) Miles Nagamatsu now owns or controls a total of 845,309 common shares of the Company (representing 2.22% of the common shares outstanding immediately following the closing of the Private Placement), 33,125 Warrants and the stock options and additional common share purchase warrants referred to in the above paragraph; and (v) Thomas Larsen now owns or controls a total of 1,490,723 common shares of the Company (representing 3.92% of the common shares outstanding immediately following the closing of the Private Placement), 32,500 Warrants and the stock options and additional common share purchase warrants referred to in the above paragraph.

- (e) *Unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:*

The Private Placement was unanimously approved by the board of directors of the Company, including the two independent directors who did not participate in the Private Placement.

- (f) *Summary, in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:*

Not applicable (see item 8(i) of this report below).

- (g) *Disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction (i) that has been made in the 24 months before the date of the material change report, and (ii) the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior officer of the issuer:*

Not applicable.

- (h) *General nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:*

Not applicable.

- (i) *Disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7, respectively, of MI 61-101 and the facts supporting reliance on the exemptions:*

The Company is relying on (A) subsection 5.5(a) of MI 61-101, which exempts the Company from the requirements under MI 61-101 of having to perform a formal valuation for the Insiders' participation in the Private Placement, and (B) subsection 5.7(1)(a) of MI

61-101, which exempts the Company from the requirements under MI 61-101 of having to obtain minority shareholder approval for the Insiders' participation in the Private Placement. These exemptions are available as neither the fair market value of the 306,250 Units issued to the Insiders under the Private Placement, nor the fair market value of the consideration for such Units, exceeds 25% of the Company's market capitalization, calculated in accordance with MI 61-101.

Item 9. Executive Officer

Inquiries in respect of the material change referred to herein may be made to:

Jorge Estepa, Corporate Secretary and Vice President
Phone: (416) 818-4035

Item 10. Date of Report

This report is dated as of the 30th day of December, 2022.

Caution Regarding Forward-Looking Information

Information in this report may contain forward-looking information. Statements containing forward looking information express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and are believed to be reasonable based on information currently available to the Company. There can be no assurance that forward-looking statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking information.