

**SHANE RESOURCES LTD,**  
**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Company**

Shane Resources Ltd. (the “**Company**”)  
804-750 West Pender Street  
Vancouver, BC  
V6C 2T7

**Item 2: Date of Material Change**

February 18 and 20, 2020.

**Item 3: News Release**

A news release was issued and disseminated on February 18, 2020 and February 21, 2020 and filed on SEDAR at [www.sedar.com](http://www.sedar.com), copies of which are attached hereto as Schedule "A".

**Item 4: Summary of Material Change**

On February 18, 2020, the Company closed the first tranche of a non-brokered private placement financing of 715,706,455 common shares in the share capital of the Company (each, a "**Share**") at \$0.000125 per Share for the gross proceeds of \$89,463.31 (the "**First Tranche**"). Upon closing of the first tranche of the First Tranche, KW Capital Partners Ltd. ("**KW**"), holds, directly or indirectly, or exercises control or direction of 299,261,149 Shares, representing 36.15% of the issued and outstanding Shares. Prior to the Offering, KW beneficially owned, or exercised control or direction of 10,801,574 Shares, representing 9.63% of the issued and outstanding Shares.

On February 20, 2020, the Company closed the second tranche of a non-brokered private placement financing of 36,293,545 Shares at \$0.000125 per Share for the gross proceeds of \$4,536.69 (the "**Second Tranche**") and collectively with the First Tranche, the "**Offering**"). The net proceeds of the Offering will be used for general working capital purposes. Further, the Company entered into debt settlement agreements with certain creditors, including a control person of the Company, in order to settle \$15,000 in outstanding liabilities (the "**Outstanding Liabilities**"). The Company issued 120,000,000 Shares at a deemed price of \$0.000125 per Share in settlement of the Outstanding Liabilities (the "**Debt Settlement**", and collectively with the Offering, the "**Transactions**").

All Shares issued pursuant to the Transactions are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

A portion of the Shares issued pursuant to the Transactions have been issued to related parties, as that term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Accordingly, the Transactions each constitute “related party transaction” within the meaning of MI 61-101. The Company relied upon the "Issuer Not Listed on Specified Markets" and "Fair Market Value Not More Than \$2,500,000" exemptions from the formal valuation and minority shareholder approval requirements, respectively, under MI 61-101.

The Company did not file a material change report in respect of the related party transactions on SEDAR less than 21 days prior to the closing of the Transactions due to the fact that the Company wished to close the Offering as soon as practicable to enable it to use the funds for short-term cash requirements, and the details of the creditors in the Debt Transaction were not settled until shortly prior to the closing.

**Item 5.1: Full Description of Material Change**

See attached news release at Schedule "A" to this report.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102 (Confidentiality)**

Not applicable.

**Item 7: Omitted Information**

No information has been omitted on the basis that it is confidential information.

**Item 8: Executive Officer**

For additional information with respect to this material change, the following person may be contacted:

Binyomin Posen  
Chief Executive Officer, Chief Financial Officer, and Director  
416 481-2222  
bposen@plazacapital.ca

**Item 9: Date of Report**

This report is dated as of the 27<sup>th</sup> day of February, 2020.

**SCHEDULE "A"**

Please see attached.

**SHANE RESOURCES LTD.**

**NEWS RELEASE**

**SHANE RESOURCES ANNOUNCES CLOSING OF PRIVATE PLACEMENT**

**Toronto, Ontario, February 18, 2020** – Shane Resources Ltd. (the “**Company**” or “**Shane Resources**”) is pleased to announce that it has closed the first tranche of a non-brokered private placement financing of 715,706,455 common shares in the share capital of the Company (each, a “**Share**”) at \$0.000125 per Share for the gross proceeds of \$89,463.31 (the “**Offering**”). All Shares issued pursuant to the Offering are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation. The net proceeds of the Offering will be used for general working capital purposes.

Upon closing of the first tranche of the Offering, KW Capital Partners Ltd. (“**KW**”), holds, directly or indirectly, or exercises control or direction of 299,261,149 Shares, representing 36.15% of the issued and outstanding Shares. Prior to the Offering, KW beneficially owned, or exercised control or direction of 10,801,574 Shares, representing 9.63% of the issued and outstanding Shares. KW has acquired the Shares for investment purposes and may, from time to time, acquire additional securities of the Company or dispose of such securities as KW may deem appropriate. For the purpose of NI 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, the address of KW is 10 Wanless Ave, Suite 201, Toronto, Ontario, M4N 1V6, President: Sruli Weinreb. A copy of the early warning report being filed by KW Capital Partners Ltd. may be obtained on the Company’s SEDAR profile or by contacting the Company at 416 481-2222.

Also upon closing of the first tranche of the Offering, Loomac Management Ltd. will hold 60,000,000 Shares and 20,000,000 Share purchase warrants, with each Share purchase warrant entitling the holder to purchase one Share at an exercise price of \$0.002 per Share until May 27, 2024, the total of which equals 9.44% of the total issued Shares of the Company on a partially diluted basis. A copy of the early warning report being filed by Loomac Management Ltd. can be obtained on the Company’s SEDAR profile. For further information contact Blaine McKearney, President of Loomac Management Ltd. at (403) 251-7382.

**SHANE RESOURCES LTD.**

Binyomin Posen  
CEO, CFO, Secretary and Director  
T: 416 481-2222  
E: bposen@plzacapital.ca

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Vancouver, BC  
V6Z 3C7

***Cautionary Statement and Forward-Looking Information:** This news release may contain forward-looking statements including, but not limited to, comments regarding the use of proceeds. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statement. Accordingly, readers should not undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*



## NEWS RELEASE

### **SHANE RESOURCES LTD.**

#### **SHANE RESOURCES ANNOUNCES CLOSING OF PRIVATE PLACEMENT AND SETTLEMENT OF DEBT**

**Toronto, Ontario, February 21, 2020** – Shane Resources Ltd. (the “**Company**” or “**Shane Resources**”) is pleased to announce that it has closed the second tranche of a non-brokered private placement financing of 36,293,545 common shares in the share capital of the Company (each, a “**Share**”) at \$0.000125 per Share for the gross proceeds of \$4,536.69 (the “**Offering**”). The net proceeds of the Offering will be used for general working capital purposes.

Further, the Company announces it has entered into debt settlement agreements with certain creditors, including a control person of the Company, in order to settle \$15,000 in outstanding liabilities (the “**Outstanding Liabilities**”). The Company has issued 120,000,000 Shares at a deemed price of \$0.000125 per Share in settlement of the Outstanding Liabilities (the “**Debt Settlement**”, and collectively with the Offering, the “**Transactions**”). All Shares issued pursuant to the Transactions are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

A portion of the Shares issued pursuant to the Transactions have been issued to related parties, as that term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Accordingly, the Transactions each constitute “related party transaction” within the meaning of MI 61-101. The Company relied upon the “Issuer Not Listed on Specified Markets” and “Fair Market Value Not More Than \$2,500,000” exemptions from the formal valuation and minority shareholder approval requirements, respectively, under MI 61-101. The Company will be filing a material change report in respect of the related party transactions on SEDAR less than 21 days prior to the closing of the Transactions due to the fact that the Company wished to close the Offering as soon as practicable to enable it to use the funds for short-term cash requirements, and the details of the creditors in the Debt Transaction were not settled until shortly prior to the closing.

In connection with the Debt Settlement, KW Capital Partners Ltd. (“**KW**”), acquired 66,000,000 Shares. KW also acquired 24,749,998 Shares and 4,500,000 common share purchase warrants in the capital of the Company (“**Warrants**”) in a share purchase transaction with a certain shareholder (the “**Share Purchase**”). Following the Debt Settlement and Share Purchase, KW owns an aggregate of 390,011,147 Shares, representing 35.52% of the issued and outstanding Shares on an undiluted basis. Upon exercise of the Warrants, KW will own 394,511,147, representing 35.58% of the issued and outstanding Shares on a partially diluted basis. Prior to the Debt Settlement and Share Purchase, KW beneficially owned, or exercised control or direction of 299,261,149 Shares, representing 36.15% of the issued and outstanding Shares. KW has acquired the Shares in the Debt Settlement and Share Purchase for investment purposes and may, from time to time, acquire additional securities of the Company or dispose of such securities as KW may deem appropriate. For the purpose of NI 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, the address of KW is 10 Wanless Ave, Suite 201, Toronto, Ontario, M4N 1V6, President: Sruli Weinreb.

A copy of the early warning report being filed by KW Capital Partners Ltd. may be obtained on the Company’s SEDAR profile or by contacting the Company at 416 481-2222.

On behalf of the Board of Directors

**SHANE RESOURCES LTD.**

Binyomin Posen  
CEO, CFO, Secretary and Director  
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