

FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Radio Fuels Energy Corp. (the “**Company**”)
217 Queen Street West, Suite 401
Toronto, ON M5V 0R2

2. **Date of Material Change**

December 16, 2021

3. **News Release**

Press releases disclosing the material changes were released on December 15, 2021 and December 16, 2021 through the facilities of Newsfile.

4. **Summary of Material Change**

The Company announced on December 15, 2021 that it converted an aggregate of 63,807,024 subscription receipts (the “**Subscription Receipts**”) issued to subscribers of the Subscription Receipt. The Company further announced on December 15, 2021, that it had entered into an agreement to acquire an additional mining property in the District of Algoma, Elliot Lake, Ontario from 2362516 Ontario Inc. (the “**ON Co.**”) pursuant to a mining claim acquisition agreement dated December 14, 2021, entered into between the Company and the Vendor.

On December 16, 2021 the Company announced that it acquired all of the issued and outstanding shares of Radio Fuels Resources Corp. (“**Radio Fuels**”), pursuant to the terms of a share purchase agreement dated September 14, 2021 entered into between the Company, Radio Fuels shareholders of Radio Fuels (collectively, the “**Vendors**”).

5. **Full Description of Material Change**

The Conversion

The Company announced on December 15, 2021 that it converted an aggregate of 63,807,024 subscription receipts (the “**Subscription Receipts**”) issued to subscribers of the Subscription Receipt.

The gross proceeds of the offering (the “**Escrowed Proceeds**”) were held in escrow on behalf of the subscribers of the Subscription Receipts by Capital Transfer Agency ULC (the “**Escrow Agent**”), pursuant to the terms of a subscription receipt agreement (the “**Subscription Receipt Agreement**”) entered into on October 4, 2021, among the Company and the Escrow Agent. Each Subscription Receipt was automatically converted into one unit (a “**Unit**”) of the Company, and the Escrowed Proceeds of \$25,495,570.20, inclusive of accrued interest, were released to the Company. Each Unit is comprised of one common share of the Company (each, a “**Common Share**”) and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will be exercisable by the holder thereof for one Common Share at an exercise price of \$0.50 per Common Share for a period of five (5) years following the date of issuance, subject to adjustments in certain events.

In connection with the offering and upon conversion of the Subscription Receipts, the Company paid certain eligible persons (the “**Finders**”) a cash commission of \$392,090, equal to 5% of the gross proceeds of the Offering and issued 865,850 broker warrants (“**Broker Warrants**”), equal to 5% of the number of Subscription Receipts delivered by the Finders pursuant to the Offering. Each Broker Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.40 per Common Share for a period of one (1) year from the date of issuance. In addition, the Company paid certain eligible persons advisory fees in the aggregate of \$460,050 and were issued an aggregate of 1,133,875 Broker Warrants. In addition, Canaccord Genuity Corp. received 100,000 Subscription Receipts as consideration for its services as financial advisor.

The Escrowed Proceeds will be used for general corporate purposes. The securities issued pursuant to upon conversion of the Subscription Receipts are subject to a hold period of four months plus a day from the date the Subscription Receipts were issued, being February 5, 2022, and the resale rules of applicable securities legislation.

The securities issued upon conversion of the Subscription Receipts will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined under the U.S. Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Acquisition Agreement

The Company further announced on December 16, 2021, that it had entered into an agreement to acquire an additional mining property in the District of Algoma, Elliot Lake, Ontario from the ON Co. pursuant to a mining claim acquisition agreement dated December 14, 2021, entered into between the Company and the ON Co. As consideration for the Acquisition, the Company issued 2,000,000 Common Shares to the ON Co. at a deemed price of \$0.34 per Common Share.

Share Purchase Agreement

On December 16, 2021 the Company announced that it acquired (the “**Transaction**”) all of the issued and outstanding shares of Radio Fuels. Pursuant to the terms of a share purchase agreement dated September 14, 2021 entered into between the Company and the Vendors. Radio Fuels’ sole asset is a 100% interest in certain mineral claims and leases located in the Mining District of Sault St. Marie, Ontario.

As consideration for the Transaction, the Company issued an aggregate of 58,823,529 common shares in the capital of the Company (the “**Consideration Shares**”) to the Vendors at a deemed price of \$0.34 per Consideration Share.

The securities issued in connection with the Transaction will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined under the U.S. Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy

securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer**

For further information, contact Cejay Kim, President and Chief Executive Officer of the Company at (778) 886-1826.

9. **Date of Report**

This report is dated at Toronto, this 29th day of December, 2021.

Forward Looking Statement

The information contained herein contains "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to the TSXV listing, risk related to the failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; political and regulatory risks associated with mining and exploration; risks related to the maintenance of stock exchange listings; risks related to environmental regulation and liability; the potential for delays in exploration or development activities or the completion of feasibility studies; the uncertainty of profitability; risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; results of prefeasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; risks related to commodity price fluctuations; and other risks and uncertainties related to the Company's prospects, properties and business detailed elsewhere in the Company's disclosure record. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Investors are cautioned against attributing undue certainty to forward-looking statements. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances, except in accordance with applicable securities laws. Actual events or results could differ materially from the Company's expectations or projections.