

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

Veta Resources Inc. (the “Company”)
217 Queen Street West, Suite 401
Toronto, Ontario M5V 0R2

2. **Date of Material Change**

October 8, 2021

3. **News Release**

A press release disclosing the material change was released on October 8, 2021, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

The Company announced that it had agreed to settle an aggregate of \$285,442.96 of indebtedness owed to a non-arm’s length creditor of the Company through the issuance of an aggregate of 14,272,148 common shares (“**Common Shares**”) of the Company at a price of \$0.02 per Common Share (the “**Debt Settlement**”).

In addition, the Company announced that it had closed a private placement through the issuance of 6,000,000 Common Shares at a price of \$0.02 for aggregate gross proceeds of \$120,000.00 (the “**Offering**”).

5. **Full Description of Material Change**

Pursuant to the Debt Settlement, the Company agreed to settle \$285,442.96 of indebtedness through the issuance of 14,272,148 Common Shares of the Company at a price of \$0.02 per Common Share.

In addition, the Company closed a private placement through the issuance of 6,000,000 Common Shares at a price of \$0.02 for aggregate gross proceeds of \$120,000.00.

All Common Shares issued in connection with the Debt Settlement and the Offering are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

(a) a description of the transaction and its material terms:

In connection with the Debt Settlement and Offering, an insider of the Company acquired 20,272,148 Common Shares of the Company.

(b) the purpose and business reasons for the transaction:

The Company wished to complete the Debt Settlement and Offering in order to improve its financial position and reduce its accrued liabilities.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The Debt Settlement and Offering will improve the Company's financial position and reduce its accrued liabilities.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

In connection with the Debt Settlement and Offering, 2673954 Ontario Inc., a company owned and controlled by Chris Irwin, a director of the Company, acquired 20,272,148 Common Shares in the capital of the Company.

(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:

Pursuant to the Debt Settlement and Offering, 2673954 Ontario Inc., a company beneficially owned and controlled by Chris Irwin, acquired 20,272,148 Common Shares of the Company. Prior to the completion of the Debt Settlement and Offering, Mr. Irwin beneficially owned or controlled 144,319 Common Shares of the Company, 22,500 options to purchase Common Shares and 966 Common Share purchase warrants, representing approximately 6.22% of the Company's issued and outstanding Common Shares on a non-diluted basis and 7.16% on a partially diluted basis. Upon completion of the Debt Settlement and Offering, Mr. Irwin will beneficially own or control 20,416,467 Common Shares of the Company, representing approximately 90.38% of the Company's issued and outstanding Common Shares on a non-diluted basis and 90.39% on a partially diluted basis.

(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:

A written resolution of the board of directors was executed by the directors on October 8, 2021, with the signature of the director who was a related party being to ensure compliance with Section 117(1) of the *Canada Business Corporations Act* (the "Act"), and not a vote in favour of the resolution in accordance with Section 120(5) of the Act. No materially contrary vote was expressed by any of the directors who executed the resolution.

(f) A 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.

(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:

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the 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:**

Other than a debt conversion agreement and subscription agreement, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Debt Settlement or the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Debt Settlement or Offering.

- (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 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(e) of MI 61-101, as the Company is not listed on a specified market and (i) the Company is in serious financial difficulty; (ii) the Debt Settlement and the Offering will improve the Company's financial position; (iii) the Debt Settlement and the Offering are not subject to court approval or undertaken under court order under bankruptcy or insolvency law (or the equivalent); (iv) at the time of signing the written resolution approving the Debt Settlement and the Offering, the Company had two independent directors in respect of the Debt Settlement and the Offering; and (v) the board of directors, including the independent directors, acting in good faith, determined that the Company is in serious financial difficulty and the terms of the Debt Settlement and the Offering are reasonable in the Company's circumstances. The independent directors determined in good faith the price per Common Share issued pursuant to the Debt Settlement and the Offering represents the fair market value of the Common Shares. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Debt Settlement because the Company wanted to improve its financial position as expeditiously as possible.

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 Albert Contardi, President and Chief Executive Officer of the Company at (416) 361-2832.

9. **Date of Report**

This report is dated at Toronto, this 15th day of October, 2021.