

Form 51-102F3
Material Change Report

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

Explorex Resources Inc.
488 – 625 Howe St.
Vancouver, B.C. V6C 2T6

Item 2. **Date of Material Change**

December 23 2019

Item 3. **News Release**

A press release dated December 23, 2019 disseminated through news wire services and subsequently posted on the CSE at thecse.com and filed via SEDAR with the securities commissions of British Columbia, Alberta, Ontario, and Yukon Territory.

Item 4. **Summary of the Material Change**

Explorex Resources Inc. has closed the second tranche of a \$400,000 non-brokered financing consisting of up to 2 million common shares of the Company.

Item 5. **Full Description of the Material Change**

A full description is attached as schedule A

Item 6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not Applicable.

Item 7. **Omitted Information**

Not Applicable.

Item 8. **Executive Officer**

Gary Schellenberg,
CEO
Phone: (604) 681-0221

Item 9. **Date of Report**

December 30, 2019



EXPLOREX RESOURCES TO ACQUIRE RAFFLES FINANCIAL AND SPIN OUT EXPLORATION ASSETS

Vancouver, B.C. December 23, 2019. ExploreX Resources Inc. (the “Company” or “ExploreX”) (CSE:EX, Frankfurt:1XE, US:EXPMF) has entered into a definitive share exchange agreement dated December 20, 2019 (the “Share Exchange Agreement”) to acquire all of the outstanding shares of Raffles Financial Private Limited (“Raffles Financial”), a company incorporated under the laws of Singapore and operating in Singapore, with regional branch offices in Sydney, Australia, Beijing and Hong Kong (“Transaction”). Raffles Financial is arm's-length to ExploreX and is a diversified financial services company that provides corporate finance advisory services related to IPO investments and arrangements, advice related to investment management, wealth and family office strategy counsel, and investment governance and oversight of funds. The proposed Transaction will constitute a “fundamental change” for ExploreX under CSE Policy 8.

Upon completion of the Transaction and certain related transactions described herein, ExploreX expects that it, as the resulting issuer (the "Resulting Issuer") will effect a name change to Raffles Financial Group Limited and complete a share Consolidation (as defined below). ExploreX also proposes to continue its corporate jurisdiction from British Columbia to the Cayman Islands (the “Continuation”). Concurrently, ExploreX will complete a plan of arrangement (“POA”) under the *Business Corporations Act* (British Columbia) with its wholly-owned subsidiary, to be re-named EXCO Resource Inc. (“EXCO”) or such other name as may be selected and as acceptable to applicable regulatory authorities, whereby ExploreX’s current mineral exploration assets and a specified amount of cash will be spun out to EXCO in accordance with the POA, and EXCO will apply to be listed on the CSE.

Summary of the Raffles Transaction

The Share Exchange Agreement among ExploreX, Raffles Financial and the Raffles Shareholders (as defined below) will result in a reverse takeover of ExploreX by the shareholders of Raffles Financial (the "Raffles Shareholders").

Prior to closing of the Transaction, ExploreX will complete the POA (as discussed further below). Additionally, ExploreX will consolidate its outstanding Common Shares on the basis of approximately 23.78 pre-consolidation ExploreX Shares for each one ExploreX post-consolidation share (the “Consolidation”) or such other number of pre-Consolidation ExploreX Common Shares such that the Consolidation results in 1,050,000 post-Consolidation ExploreX Shares outstanding immediately before closing. The Raffles Shareholders will then be issued an aggregate of 45,000,000 post-Consolidation ExploreX Common Shares. The Financing described below is expected to result in the issuance of 4,000,000 post-Consolidation Common Shares, such that giving effect to the Financing, a total of 50,050,000 post-Consolidation ExploreX Common Shares will be outstanding, with the former Raffles Shareholders holding approximately 89.9% of the outstanding Common Shares.

The completion of the Transaction is subject to the satisfaction of various conditions including but not limited to (i) the completion of a concurrent financing for up to \$20,000,000 (the "Financing"); (ii) the approval by the shareholders of ExploreX in respect of the Transaction as a “fundamental change”, the Continuation and the POA; and (iii) receipt of all requisite regulatory, CSE, court or governmental authorizations and third party approvals or consents.

Finder's fees will be paid to an arms' length party in connection with the Transaction.

Subject to satisfaction or waiver of the conditions referred to herein and in the Share Exchange Agreement, Explorex and Raffles Financial anticipate the Transaction will be completed on or before March 16, 2020. Explorex expects to hold an annual general and special meeting of shareholders in late February 2020 to approve the required matters. The information circular for the shareholder meeting will contain comprehensive information about the Transaction, the Continuation and the POA, and it will include financial statements for Raffles Financial, EXCO and proforma financial statements.

Summary of the proposed POA

Before closing the Transaction with Raffles Financial described above, Explorex will complete a plan of arrangement ("POA") under the *Business Corporations Act* (British Columbia) with EXCO whereby Explorex's current mineral exploration assets and a specified amount of cash will be spun out to EXCO. Further details of the spinout will be included as part of the information circular for the Explorex shareholder meeting. Explorex intends to conduct a small financing before the shareholder meeting, for working capital purposes and to provide a portion of the cash to EXCO under the POA.

About Raffles Financial

Raffles Financial is a diversified financial services company headquartered in Singapore with regional branch offices in Sydney, Australia, Beijing and Hong Kong. Raffles Financial provides corporate finance advisory services related to IPO investments and arrangements, advice related to investment management, wealth and family office strategy counsel, and investment governance and oversight of funds.

The breadth of Raffles Financial's service offerings cover mid-market companies principally in Asia. Raffles Financial works with a mixed group of entrepreneurs, professionals, legal and financial advisors, pre-IPO/PE investors, listed company directors, shareholders and advisors and lawyers, with a strong support network of accountants, auditors, valuers, bankers, brokers and analysts to complement their service offerings. The core driving force behind Raffles Financial is Dr. Charlie Nany Sing In with 40+ years of business and listed firm chairmanship, specializing in personal and company financial strategies, providing governance and investment oversight to funds and IPO candidates across the Asian markets.

Completing the stewardship of Raffles Financial is Liying 'Abigail' Zhang, Executive Director, with more than 15 years hands-on investment experience in taking companies public listed in Australia, Hong Kong and Singapore and Dr. ChangSheng 'Victor' Liu, Executive Director, China Investment and IPO with 20+ years of China banking, asset management, global trade experience and expertise including a keen interest in fintech, agriculture, energy, education and entertainment businesses.

For the period from incorporation on July 5, 2018 to June 30, 2019, Raffles Financial had revenues (unaudited) of around Singapore\$11.5 million on expenses of Singapore\$800,000. Raffles Financial is presently auditing its financial statements for the purposes of the financial statements to be included in Explorex's information circular for the Transaction.

It is the intention to establish and maintain a board of directors (the "Board") of the Resulting Issuer that has a mix of appropriate skill sets and is compliant with all regulatory and corporate governance requirements. Upon completion of the Transaction, it is presently intended that the Board of the Resulting Issuer will be comprised of representatives from Raffles Financial: Dr. Charlie Nany Sing In as Director and Chairman, Dr. ChangSheng 'Victor' Liu as Director and Chief Executive Officer, Liying 'Abigail' Zhang as Director, Chun 'Kit' Chan as Director and Chief Financial Officer, and three independent directors: Mike Zhou as Director (who is presently a director of Explorex), Harley Sinclair as Director and Darlene Edwards as Director.

Chun 'Kit' Chan is Raffles Financial's CFO based in Hong Kong with 15+ years experience as CFO for listed firms in Singapore and Hong Kong. Kit is well versed with listing, FRS compliance and corporate governance providing oversight and advice on all IPO applications.

Mike Zhou has a unique resume covering capital markets, international business strategy, and the technology sector. In recent years, he has held management positions or director roles throughout the financial-technology, digital marketing, consulting, and financial sectors. Mike was recently with PI Financial, where he worked directly with the Vice President and Managing Director as an Analyst and Associate. Mike is based in Vancouver, BC.

Harley Sinclair is currently principal of Decipher Capital, which provides consulting and management services to early stage companies. Prior to his role with Decipher Capital, Mr. Sinclair was a corporate and securities lawyer with more than 30 years of legal experience assisting early stage companies to go public, raise public and private financing, complete mergers and acquisitions, and comply with the regulatory and corporate governance landscape in the Canadian junior capital markets. He also advised the corporate finance departments of several Vancouver brokerage firms in respect of public and private financings and related due diligence. Mr. Sinclair was a director of Kraken Sonar (formerly Anergy Capital) and Encap Investments, both of which were listed on the TSX Venture Exchange. He was also a senior officer of multiple listed companies, including both of the foregoing. Harley is based in Vancouver, BC.

Darlene Edwards has extensive experience in large scale project management focusing on supply chain management, contract fulfillment, and contractor audit procedures for major international private and public companies. She has held key manager positions in Rio Tinto and Washington Group – Seaspan, and has acted as a consultant in Oil, Gas, Mining, and Marine industries. Darlene is a past President of the Saskatchewan Institute of Purchasing Management Association of Canada and has been an Executive Member of the Alberta Institute of Purchasing Management. Darlene also holds the SCMP (Supply Chain Management Professional) designation. Darlene is based in Vancouver, BC.

On behalf of the Board,

Gary Schellenberg, CEO

For further information, please contact Gary Schellenberg, CEO or Mike Sieb, President at 604-681-0221

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this press release.

This press release should not be considered a comprehensive summary of the Transaction or POA. Additional information required by applicable securities laws and the Canadian Securities Exchange (“CSE”) will be disseminated at a future date following a satisfactory review by the CSE. Completion of the Transaction and POA is subject to a number of conditions, including but not limited to, CSE acceptance and Explorex shareholder approval. The Transaction and POA cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction and POA will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the Transaction, POA and Continuation, any information released or received with respect to the Transaction and POA may not be accurate or complete and should not be relied upon. Trading in the securities of Explorex should be considered highly speculative. Trading of the common shares of Explorex will remain halted pending receipt and review by the CSE of acceptable documentation regarding Raffles, the Resulting Issuer and EXCO following completion of the Transaction and POA. The proposed Transaction and POA have not been approved by the CSE and remains subject to CSE approval.

This news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially and there are no assurances that the transaction described in this news release will close on the terms described or at all. Except as required pursuant to applicable securities laws, the Company will not update these forward-looking statements to reflect events or circumstances after the date hereof. More detailed information about potential factors that could affect financial results is included in the documents filed from time to time with the Canadian securities regulatory authorities by the Company. Readers are cautioned not to place undue reliance on forward looking statements.