

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Northern Lights Resources Corp (“Northern Lights” or the “Company”)
Suite 1000, 355 Burrard Street
Vancouver, BC
V6C 2G8

2. Date of Material Change

May 28, 2021

3. News Release

A news release was disseminated on May 28, 2021 through the facilities of Accesswire and was filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”). A copy of the news release is available on SEDAR at www.sedar.com.

4. Summary of Material Change

On May 28, 2021, Northern Lights announced that it entered into a financing agreement whereby the Company will issue unsecured zero coupon non redeemable securities to Precious Metals Capital Group, LLC (the “Investor”) that are convertible into common shares of the Company raising gross proceeds of up to US\$2,000,000 (approximately C\$2,425,760) (the “Transaction”).

5.1 Full Description of Material Change

At the initial closing of the Transaction, the Investor will (subject to satisfaction of certain conditions) purchase a Convertible Security from the Company with a principal amount of US\$890,000 for a purchase price of US\$800,000. The initial closing is expected to occur in the next week. Additional convertible securities having an aggregate principal amount of US\$1,200,000 may be purchased by the Investor from the Company with its consent by the first anniversary of the initial closing.

Each Convertible Security will have a term of 24 months, a zero coupon or interest rate, and a mandatory 100% conversion and subject to the satisfaction of certain conditions be convertible into common shares of the Company (the “Shares”), in whole or in part, at the option of the Investor, at a fixed conversion price of C\$0.06 per share (the “Conversion Price”).

In the event that the prevailing Share price, as determined below, at the time a conversion is greater than the Conversion Price, the Company may elect to reduce the number of Shares issuable in that conversion by utilising the prevailing (and more beneficial to the Company) Share price as the conversion price instead of the Conversion Price. The “prevailing Share price” will be determined by the Investor as 85% of the average of five daily volume-weighted average prices of the Shares on the CSE during the 20 consecutive trading days immediately prior to the date of the notice of conversion, rounded down to one tenth of a cent if the prevailing Share price is less than 20 cents, or half a cent if the prevailing Share price is greater than 20 cents.

Alternatively, in the event that the prevailing Share price is less than the Conversion Price, the

conversion will occur at the Conversion Price, and the Company will pay the Investor an amount equal to the value of Shares foregone as a result of the conversion price being the Conversion Price rather than the prevailing Share price. The Company may elect to make this payment in Shares in lieu of cash, in its sole discretion. The Company will have a cash repayment right in relation to any conversion so that, instead of issuing conversion shares, the Company may, at its option, make a payment to the Investor equal to the number of Shares that would have otherwise been issued in the conversion multiplied by the greater of the Conversion Price, the prevailing Share price, and the market value of the Shares at that time.

The Investor has agreed to certain, substantial, limitations on its ability to dispose of the Shares following a conversion of the Convertible Securities. The Investor is also contractually precluded from shorting the Shares.

The Company will make an initial issuance of 1.8 million conversion Shares to the Investor at the time of the initial closing, towards the ultimate number of Shares to be issued in the conversion of the Convertible Securities. Alternatively, in lieu of applying these Shares towards the aggregate number of the conversion Shares to be issued by the Company, the Investor may make a further payment to the Company equal to the value of these Shares determined using the prevailing Share price, as determined above, at the time of the payment.

The Company will issue 3,122,743 Shares to the Investor in satisfaction of a fee. In addition, the Company will issue 2.8 million warrants with an exercise period of 48 months from the date of issue (the "Warrants") to the Investor entitling the Investor (or any subsequent holder of the Warrants) to subscribe for one Share per Warrant at the exercise price equal to C\$0.068509.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

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

Not Applicable.

7. Omitted Information

None.

8. Executive Officer

The name of the executive officer of the Corporation who is knowledgeable about the material change and this report is:

Jason Bahnsen
Chief Executive Officer
Email: info@northernlightsresources.com

9. Date of Report

May 28, 2021