

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Valorem Resources Inc. (the “**Company**” or “**Valorem**”)
Suite 2380 – 1055 West Hastings Street
Vancouver, BC V6E 2E9

Item 2 Date of Material Change

December 22, 2022

Item 3 News Release

The news release dated December 22, 2022 was disseminated Newsfile Corp. on December 22, 2022.

Item 4 Summary of Material Change

The Company announced that it entered into and closed a share exchange agreement (the “**Agreement**”) dated December 20, 2022 with Regency Mining Limited (“**Regency**”), a private arm’s length company incorporated under the laws of Seychelles, and each of the shareholders of Regency (collectively, the “**Regency Shareholders**”), pursuant to which it has acquired all of the issued and outstanding common shares (collectively, the “**Regency Shares**”) in the capital of Regency (the “**Transaction**”).

About Regency Mining Limited

Regency owns a 99.43% interest in Casa Mining Ltd. (“**Casa**”), a private arm’s length company incorporated in April 2009 under the laws of Mauritius, and, indirectly through its ownership of Casa, owns a 73.84% interest in Leda Mining Congo S.A (“**Leda**”), a private arm’s length company incorporated in July 1998 under the laws of the Democratic Republic of the Congo (the “**DRC**”). Leda owns an interest in and to the Misisi Gold project (the “**Misisi Gold Project**” or the “**Project**”), located in the Fizi territory of South Kivu province, in the DRC, approximately 250 km south of Bukavu and 140 km north of Kalemie. The Misisi Gold Project covers 133 square kilometre on three contiguous mining licences, valid until 2045 (with extension options) and includes the Akyanga gold deposit which hosts an Inferred Resource of 3.1 million ounces of gold averaging 2.16 grams per tonne gold.

About the Misisi Gold Project

- Large contiguous licensed land position extending 133 km² valid through to 2045.
- Host to an Inferred Resource of 44.3 million tonnes at an average grade of 2.16 g/t Au (representing 3.1 million ounces of gold) at Akyanga.
- Significant upside exploration potential on a 55 km prospective gold belt, of which numerous targets have been identified from prior exploration activity (geophysics, sampling and prospecting) including the directly adjacent Akyanga East prospect.
- Extensive past exploration work with technical reports generated including three historical resource estimates using the JORC Code and a Scoping Study (SRK, 2014)

**Table 1: Misisi Resource Estimate
(effective date September 30, 2022)**

Category	Tonnes (millions)	Gold (g/t)	Gold (Moz)
Inferred	44.3	2.16	3.1

Notes:

- (1) A cut-off grade of 0.5 g/t has been used to report the Mineral Resource, on a 100%-basis
- (2) Mineral Resources which are not Mineral Reserves have not demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The mineral resources in this report were estimated using the Canadian Institute of Mining (“CIM”), Metallurgy and Petroleum standards on mineral resources and reserves, definitions, and guidelines prepared by the CIM standing committee on reserve definitions and adopted by the CIM council. Notwithstanding, to meet the requirement that the reported Mineral Resources show “reasonable prospects for eventual economic extraction” the reported tonnes and grade are constrained by a conceptual whittle optimisation pit shell using a \$1,600 gold price and appropriately benchmarked costs and factors for mining, processing, recovery and engineering.
- (3) The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category. Valorem has retained Dr. John Arthur, who has independently validated the resource in regard to its compliance and classification with NI 43-101 (as defined below) and CIM standards.
- (4) Contained metal and tonnes figures in totals may differ due to rounding.
- (5) A copy of the NI 43-101 compliant technical report on the Misisi Gold Project (the “**Technical Report**”) containing the above mineral resource estimation will be filed under Valorem’s profile on SEDAR within 45 days.

The Mineral Resource Estimate is supported by data from 105 diamond drill holes and 6 RC drill holes totalling over 22,000m of drilling. All sample data was composited to the dominant sample length of 1 m prior to analysis and estimation. The sample database and the topographic survey were reviewed and validated by Arc Minerals Ltd. (former owner of Casa) and African Mining Consultants prior to being supplied to Ivor Jones Pty Ltd, a specialised Australian based Resource Consultancy. Such review and validation help to support the reliability of the estimate. Geological and Mineral Resource domain modelling, grade interpolation, Mineral Resource classification and reporting of the Mineral Resource statement, was performed by Mr. Ivor Jones. Mr. Jones is a “Qualified Person” within the meaning of National Instrument 43 -101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). Block modelling was carried out using cell dimensions of 25mE by 25mN by 25 mRL and was coded to reflect the surface topography and mineralised zones. Density values were estimated into blocks and had an average density of 2.63t/m³. The Mineral Resource Estimate has been classified based on data density, data quality, confidence in the geological interpretation and confidence in the robustness of the grade interpolation.

Transaction Summary

Pursuant to the terms of the Agreement, the Company acquired all of the issued and outstanding Regency Shares from the Regency Shareholders in consideration for, on a pro rata basis, a cash payment of US\$100,000 and the issuance of an aggregate of 16,000,000 common shares (each, a “**Share**”) in the capital of the Company at a deemed price of \$0.29 per Share.

In connection with the acquisition of Regency, the Company paid finder’s fees to an eligible arm’s length finder of 2,000,000 Shares at a deemed price of \$0.29 per Share. Following the closing of the Transaction, Regency became a majority-owned subsidiary of the Company.

Debt Settlement

The Company also announces that it has agreed to issue 764,478 units (each, a “Unit”) of the Company at a deemed price of \$0.29 per Unit to a certain arm’s length debtor (the “Debtor”) of the Company as full and final payment of \$221,698.63 in debt (the “Debt Settlement”), representing the principal amount and any accrued and unpaid interest thereon owing to the Debtor under the terms of a loan agreement between the Company and the Debtor dated May 13, 2022, as amended. Each Unit is comprised of one Share and one Share purchase warrant (each, a “Warrant”), with each Warrant entitling the holder thereof to purchase additional Share (each, a “Warrant Share”) at an exercise price of \$0.29 per Warrant Share for a period of two years.

The Debtor participated in the Debt Settlement and is considered to be a “related party” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) and the issuance is considered to be a “related party transaction” within the meaning of MI 61-101 but such issuance will be exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Company’s shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the shares to be issued to each related party does not exceed 25% of the Company’s market capitalization.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

A full description of the material change is described above in Item 4 and in the News Release dated December 22, 2022 filed on SEDAR at www.sedar.com.

Disclosure Required by MI 61-101

Pursuant to MI 61-101, the Debt Settlement constituted a “related party transaction” as an insider of the Company participated in the Debt Settlement.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

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

See Item 4 above for a description of the Debt Settlement.

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

The purpose of the Debt Settlement is to reduce the Company’s liabilities while preserving its cash.

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

The Company does not anticipate any material effect on the Company’s business and affairs.

(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:*

The Debtor was issued 764,478 Units in full and final payment repayment for a loan agreement of \$221,698.63.

(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:

The following table sets out the effect of the Debt Settlement on the percentage of securities of the Company beneficially owned or controlled by the Debtor:

Name and Position	Dollar Amount of Debt Settlement	Number of Shares to be Issued	No. of Securities Held prior to Closing of the Debt Settlement	Percentage of Issued and Outstanding Securities prior to Closing of the Debt Settlement	No. of Securities Held After Closing of the Debt Settlement	Percentage of Issued and Outstanding Securities After Closing of the Debt Settlement
The K2 Principal Fund L.P. 10% shareholder	\$221,698.63	764,478 Units	Undiluted: 1,562,500 Diluted: 3,125,000 ⁽¹⁾	Undiluted: 7.82% ⁽²⁾ Diluted: 14.50% ⁽³⁾	Undiluted: 2,326,978 Diluted: 4,653,956 ⁽⁴⁾	Undiluted: 6.00% ⁽⁵⁾ Diluted: 11.33% ⁽⁶⁾

- (1) Comprised of: (i) 1,562,500 Shares held by the Debtor, and (ii) 1,562,500 warrants held by the Debtor, each of which is exercisable into one Share at a price of \$0.21 per Share until October 7, 2024.
- (2) Based on 19,989,854 Shares outstanding prior to the completion of the Debt Settlement and the issuance of the Shares pursuant to the Transaction.
- (3) Based on 21,552,354 Shares outstanding on a partially diluted basis prior to the completion of the Debt Settlement and the issuance of the Shares pursuant to the Transaction, comprised of: (i) 19,989,854 Shares outstanding prior to the completion of the Debt Settlement and the issuance of the Shares pursuant to the Transaction, and (ii) 1,562,500 Shares that may be issuable on exercise of warrants held by the Debtor.
- (4) Comprised of: (i) 2,326,978 Shares held by the Debtor, (ii) 764,478 Warrants held by the Debtor exercisable into one Share at a price of \$0.29 per Share until December 22, 2024, and (iii) all of the convertible securities of the Company set out in footnote (1) above.
- (5) Based on 38,754,332 Shares outstanding following the completion of the Debt Settlement and the issuance of the Shares pursuant to the Transaction.
- (6) Based on 41,081,956 Shares outstanding on a partially diluted basis following the completion of the Debt Settlement and the issuance of the Shares pursuant to the Transaction, comprised of: (i) 38,754,332 Shares outstanding following the completion of the Debt Settlement and the issuance of the Shares pursuant to the Transaction, and (ii) 2,326,978 Shares that may be issuable on exercise of warrants held by the Debtor.
- (7) *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:*

The board of directors approved the Debt Settlement. A special committee was not established in connection with the approval of the Debt Settlement, and no materially contrary view or abstention was expressed or made by any director.

- (e) *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.

- (f) *disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related 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.

(g) *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:*

The Company entered into a debt settlement and subscription agreement with the Debtor pursuant to which the Debtor acquired 1,562,500 Units in settlement of debt of \$221,698.63.

(h) *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 Debt Settlement is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(b) as the Company's shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the Shares issued to each related party did not exceed 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the closing of the Debt Settlement, there is a requirement under MI 61-101 to explain why the shorter period is reasonable or necessary in the circumstances. In the view of the Company, such shorter period is reasonable and necessary in the circumstances because the Company wished to complete the Debt Settlement in a timely manner.

5.2 *Disclosure for Restructuring Transactions*

N/A

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

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Tony Louie, Interim Chief Executive Officer, 888-795-6268

Item 9 Date of Report

January 3, 2023