

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

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

Waraba Gold Limited (the “Corporation” or “Waraba”)  
Suite 1080, 789 West Pender Street  
Vancouver, British Columbia  
Canada V6C 1H2

## **Item 2 Date of Material Change**

January 21, 2020

## **Item 3 News Release**

The news release announcing the material change described herein was disseminated through the news dissemination services of Newsfile and was filed on SEDAR and the website of the Canadian Securities Exchange on January 21, 2021.

## **Item 4 Summary of Material Change**

The Corporation announced that, further to the press release dated January 7, 2021, it has closed its acquisition (the “Acquisition”) of all of the issued and outstanding shares of 1273795 B.C. LTD. (“Mali HoldCo”).

## **Item 5 Full Description of Material Change**

### **5.1 Full Description of Material Change**

The Corporation announced that, further to the press release dated January 7, 2021, it has closed its acquisition (the “Acquisition”) of all of the issued and outstanding shares of 1273795 B.C. LTD. (“Mali HoldCo”).

### **Transaction Details**

The Acquisition was effected by way of a three-cornered amalgamation involving a wholly-owned subsidiary of the Corporation and Mali HoldCo (the “Amalgamation”). Pursuant to the terms of the Acquisition, the Corporation issued an aggregate of 25,690,000 shares of the Corporation (“Waraba Shares”) to shareholders of Mali HoldCo at a deemed price of \$0.1875, being equal to the maximum discount allowed by the Canadian Securities Exchange at time of issuance, representing the aggregate consideration of \$4,867,500.

### **Description of Mali HoldCo and its Business**

Mali HoldCo is registered in British Columbia and holds a 75% interest in Gonka Gold Mali SARL (“GGM”).

GGM has entered into an agreement with Fokolore Mining SARL (the “Purchase Agreement”) to acquire the research permit to explore for gold in the Maligonga-Est (Cercle de Kéniéba) region of Mali (the “Region”), issued by the Government of Mali on June 10, 2016 under number 2016-2006/MM-SG (as renewed pursuant to ordinance number 2019-3557/MMP-SG on October 11, 2019, (the “Mining Permit”).

Under the terms of the Purchase Agreement, the parties must receive ministerial consent to the transfer of the Mining Permit to GGM and Mali HoldCo must pay a total consideration of US\$2,500,000, of which US\$250,000 has already been paid and an additional US\$1,000,000 is due by the end of March 2021, and the remaining US\$1,250,000 can be settled with shares of the Corporation. In addition, GGM will be required to pay an additional US\$1,000,000 upon proof, to an internationally recognized standard, that the area covered by the Mining Permit holds at least 1,000,000 ounces of gold; and an additional US\$1,000,000 upon proof, to an internationally recognized standard, that the area covered by the Mining Permit holds at least 1,500,000 ounces of gold.

Three insiders as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), participated in the Acquisition and received Waraba Shares pursuant to the Purchase Agreement, either directly or indirectly, therefore the Acquisition constitutes a "related party transaction" within the meaning of MI 61-101. In its consideration and approval of the Acquisition, the board of directors of the Corporation determined that the Acquisition is exempt from the formal valuation and minority approval requirements of MI 61-101 on the basis that the fair market value of the Acquisition to related parties does not exceed 25% of the market capitalization of the Corporation, in accordance with Sections 5.5 and 5.7 of MI 61-101.

The insider participation in the Acquisition is as follows:

<b>Name of Insider</b>	<b>Position with the Corporation</b>	<b>Number of Waraba Shares</b>	<b>Value of subscription</b>	<b>Number and percentage of common shares held before Closing<sup>(1)</sup></b>	<b>Number and percentage of common shares held after Closing<sup>(1)</sup></b>
Brent Hahn	Director	49,125	\$9,210.94	219,425 0.46%	268,550 0.37%
Carl Esprey	Director and Officer	3,000,000	\$562,500	8,928,000 18.88%	11,928,000 16.34%
Shimcity Inc.	Officer	3,970,000	\$744,375	155,659 0.33%	4,125,659 5.65%

**Note:**

- (1) Calculated on a non-diluted basis, inclusive of common shares beneficially owned, controlled or directed, directly or indirectly, and based on 47,296,411 common shares issued and outstanding prior to the closing of the Acquisition and 72,986,411 common shares issued and outstanding immediately following the closing of the Acquisition.

The directors of the Corporation approved the Acquisition by written resolution. In accordance with the *Business Corporations Act* (British Columbia), all of the directors were required to sign the authorizing resolution in order for the Acquisition to be valid as if passed at a meeting of the directors of the Corporation, however, the signatures of each of the aforementioned insiders do not constitute a vote by the insider as a director to approve the Acquisition. The Acquisition was unanimously approved by the directors of the Corporation entitled to vote thereon.

The Corporation did not file a material change report more than 21 days before the closing of the Acquisition as

the details of the Acquisition, and the confirmation of insider participation in the Acquisition, was not definitively known to the Corporation until the date of the closing of the Acquisition and the board of directors determined that it was in the best interests of the Corporation to close the Acquisition as soon as practicable.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

## **Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

## **Item 7 Omitted Information**

Not applicable.

## **Item 8 Executive Officer**

Carl Esprey, Chief Executive Officer  
Telephone: 312-235-2605

## **Item 9 Date of Report**

January 21, 2021