

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

**ITEM 1 — Name and Address of Company**  
Graycliff Exploration Ltd. (the “**Company**”)  
401 Bay Street, Suite 2702  
Toronto, ON M5H 2Y4

**ITEM 2 — Date of Material Change**  
December 8, 2021 and December 16, 2021

**ITEM 3 — News Release**  
The Company issued two press releases announcing the material change. The first press release was disseminated on December 8, 2021 announcing the completion of the first tranche of the Offering (as defined below), and the second press release was disseminated on December 15, 2021 (“**Press Release 2**”) announcing the completion of the second tranche of the Offering, each through the facilities of Accesswire and respectively filed on SEDAR at [www.sedar.com](http://www.sedar.com). A copy of the first press release is attached hereto as Schedule “A”, and a copy of the second press release is attached hereto as Schedule “B”.

**ITEM 4 — Summary of Material Change**  
The Company has closed both tranches of a non-brokered private placement (the “**Offering**”). In the first tranche of the Offering, the Company issued 3,589,963 flow-through units (each, a “**FT Unit**”) at a price of \$0.30 per FT Unit for gross proceeds of \$1,076,989.95. Each FT Unit was comprised of one common share to be issued as a “flow-through share” and one-half (½) of a common share purchase warrant (each whole common share purchase warrant, a “**FT Warrant**”) with each whole FT Warrant entitling the holder to purchase one common share at a price of \$0.45 for a period of two (2) years from the closing date. In connection with the closing of the first tranche, the Company paid cash compensation in the amount of \$74,549.29 and 248,497 finders’ warrants, each finders’ warrant exercisable for one common share at an exercise price of \$0.30 for two years from the closing date.

In the second tranche of the Offering, the Company issued 1,171,663 units (each, a “**Non-FT Unit**”) at a price of \$0.30 per Non-FT Unit for gross proceeds of \$351,499.20. Each Non-FT Unit was comprised of one common share and one common share purchase warrant (a “**Non-FT Warrant**”) with each Non-FT Warrant entitling the holder to purchase one common share at a price of \$0.45 for a period of two (2) years from the closing date.

The common shares comprising part of the FT Units and the Non-FT Units are subject to a four month and one day hold period.

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**”).

In connection with the Offering, 40,000 FT Units and 160,000 Non-FT Units were issued to certain insiders (the “**Insiders**”) of the Company, as described in greater detail below.

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

The proceeds raised from the Offering are intended to be used to expand the Company’s current exploration program at its Shakespeare Project and to initiate surface sampling and airborne geophysics at its adjacent Baldwin Project, as well as for general working capital purposes.

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

The Company intends to use the net proceeds of the Offering to expand the Company’s current exploration program at its Shakespeare Project and to initiate surface sampling and airborne geophysics at its adjacent Baldwin Project, as well as for general working capital purposes.

**(d) a description of:**

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

In connection with the Offering, the following securities were issued to Insiders of the Company:

<b>Name</b>	<b>Position</b>	<b>Number of Units or FT Units</b>	<b>Aggregate Price</b>
James Macintosh	President, Chief Executive Officer and Director	40,000 FT Units 40,000 Units	\$24,000
Julio DiGirolamo	Chief Financial Officer and Director	40,000 Units	\$12,000
Nicholas Konkin	Director	40,000 Units	\$12,000
Peninsula Investments (WA) Pty Ltd., a company controlled by David Lees	Director	40,000 Units	\$12,000
<b>Total</b>		<b>200,000</b>	<b>\$60,000.00</b>

**(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in**

**subparagraph (i) for where there would be a material change in that percentage.**

Prior to the completion of the Offering, James Macintosh beneficially owned or controlled, directly or indirectly, 180,256 common shares, 500,000 stock options and 20,000 warrants, representing approximately 0.0062% of the issued and outstanding common shares on an undiluted basis. Upon closing of the Offering, Mr. Macintosh beneficially owns or controls, directly or indirectly, an aggregate of 260,256 common shares, 80,000 warrants and 500,000 stock options, representing approximately 0.0077% of the issued and outstanding common shares on an undiluted basis.

Prior to the completion of the Offering, Julio DiGirolamo beneficially owned or controlled, directly or indirectly, 100,000 common shares and 400,000 stock options, representing approximately 0.0034% of the issued and outstanding common shares on an undiluted basis. Upon closing of the Offering, Mr. DiGirolamo beneficially owns or controls, directly or indirectly, an aggregate of 140,000 common shares, 40,000 warrants and 400,000 stock options, representing approximately 0.0041% of the issued and outstanding common shares on an undiluted basis.

Prior to the completion of the Offering, Nicholas Konkin beneficially owned or controlled, directly or indirectly, 35,000 common shares and 125,000 stock options, representing approximately 0.0012% of the issued and outstanding common shares on an undiluted basis. Upon closing of the Offering, Mr. Konkin beneficially owns or controls, directly or indirectly, an aggregate of 75,000 common shares, 40,000 warrants and 125,000 stock options representing approximately 0.0022% of the issued and outstanding common shares on an undiluted basis.

Prior to the completion of the Offering, Mr. David Lees beneficially owned or controlled, directly or indirectly, 140,000 common shares and 150,000 stock options, representing approximately 0.0048% of the issued and outstanding common shares on an undiluted basis. Upon closing of the Offering, Mr. Lees beneficially owns or controls, directly or indirectly, an aggregate of 180,000 common shares, 40,000 warrants and 150,000 stock options representing approximately 0.0053% of the issued and outstanding common shares on an undiluted 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 resolution of the board of directors of the Company approving the Offering was passed on December 3, 2021. No special committee was established in connection with the Offering, and no materially contrary view or abstention was expressed or made by any director, however each director abstained from voting as it related to their own disclosed interest in the Offering but voted to approve the resolution in every other respect.

**(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 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 prior to the date of the material change report:**

Not applicable.

**(ii) the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior 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 the subscription agreements to purchase the Non-FT Units and FT Units pursuant to the Offering, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with 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 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, respectively, and the fact supporting reliance on the exemptions.**

The participation in the Offering by the Insiders is exempt from the formal valuation and minority shareholder approval requirements set out in MI 61-101. Specifically, the Company is relying on the exemptions set out in sections 5.5(b) and 5.7(1)(b) of MI 61-101, as described below.

***Section 5.5(b) of MI 61-101***

No securities of the Company are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

***Section 5.7(1)(b) of MI 61-101***

Neither the fair market value of the Non-FT Units and FT Units issued to the Insiders under the Offering nor the consideration paid for the Non-FT Units or the FT Units by the Insiders exceeded \$2,500,000, and:

- (i) the securities of the Company are not listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States; and
- (ii) the Company has one or more independent directors in respect of the Offering who are not employees of the Company and at least two-thirds of those directors participated in the approval of the Offering. Specifically, all four (4) directors of the Company participated in the approval of the Offering, however each director abstained from voting in respect of their own disclosed interest in the Offering.

**ITEM 5 — Full Description of Material Change**

Please refer to Schedule “A”.

**ITEM 6 — Reliance on Section 7.1(2) or (3) of National Instrument 51-102 of the Act**

N/A

**ITEM 7— Omitted Information**

N/A

**ITEM 8 — Executive Officer**

Jamie Macintosh, President, CEO and Director  
(416) 271-8300

**ITEM 9 — Date of Report**

December 17, 2021

**SCHEDULE "A"**  
December 8, 2021 Press Release

## Graycliff Exploration Closes Flow-Through Private Placement

### Fully funded for an expanded 2022 exploration program

*Not for dissemination in the United States of America*

**TORONTO, ON** - December 8, 2021 - [Graycliff Exploration Limited](#) (the “Company” or “Graycliff”) ([CSE: GRAY](#)) ([OTCQB: GRYCF](#)) ([FSE: GEO](#)) is pleased to announce the completion of the first tranche of a non-brokered private placement offering of 3,589,963 flow-through units (“**FT Unit**”) at a price of \$0.30 per FT Unit of the Company (the “**Financing**”) for gross proceeds of \$1,076,989.95.

Each FT Unit consists of one common share to be issued as a “flow-through share” and one-half (½) purchase warrant (a “**Warrant**”) with each whole Warrant entitling the holder to purchase one common share at a price of \$0.45 for a period of two (2) years from the closing date.

Graycliff intends to use the net proceeds from the Financing to expand its current exploration program at the Company’s Shakespeare Project in Ontario, Canada, and to initiate surface sampling and airborne geophysics at the adjacent Baldwin Project.

“With the completion of this flow-through financing, Graycliff is planning to expand its exploration program at Shakespeare. In the new year we will begin to drill-test priority targets to the east and to the west of the Miller Shaft along our mineralized corridor. Phase Three drilling is still progressing, and we anticipate initial assay results shortly,” commented James Macintosh, President and CEO.

In connection with the Financing, the Company expects to pay (i) a cash commission equal to 7% of the aggregate proceeds sourced by the finder and (ii) finder’s warrants (the “**Finder’s Warrants**”) in an amount equal to 7% of the aggregate number of FT Units sourced by the finder. Each Finder’s Warrant is exercisable for one common share at a price of \$0.30 and will expire two (2) years from the closing date.

The participation by one of the directors of the Company in the Financing constitutes a “related party transaction” pursuant to Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). The Company intends to rely on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in section 5.5(b) and Section 5.7(1)(b) of MI 61-101, respectively, on the basis that no securities of the Company are listed or quoted on any of the markets specified in Section 5.5(b) of MI 61-101 and the fair market value of the securities issued to related parties pursuant to the Financing, does not exceed \$2,500,000, along with the other applicable circumstances contained in section 5.7(1)(b) of MI 61-101.

All securities issued pursuant to this Financing will be legended with a hold period of four months and one day from the date of issuance.

#### **About Graycliff Exploration Limited**

Graycliff Exploration is a mineral exploration company focused on its 1,025 hectares of prospective ground, located roughly 80 kilometres west of Sudbury, on the prolific Canadian Shield. The Company’s Shakespeare Project consists of one crown patented lease, two crown leases and 40 claims on a property associated with the historic Shakespeare Gold Mine, which operated from 1903 to 1907. Graycliff’s Baldwin Project is adjacent to the east and is comprised of 68 claims covering 1,500 hectares. The two projects together could be the beginning of a new Ontario Gold Camp.

On Behalf of the Board of Directors,  
James Macintosh  
President and CEO

For more information, please visit our website at [www.graycliffexploration.com](http://www.graycliffexploration.com) and contact investor relations at [investors@graycliffexploration.com](mailto:investors@graycliffexploration.com).

*Neither the Canadian Securities Exchange nor its regulation services provider has reviewed or accepted responsibility for the adequacy or accuracy of this press release*

*This release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements regarding the impact and implications of drill results of the Company; the timing and amount of estimated future exploration and the success of such exploration activities. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "schedule", "estimates", "forecasts", "intends", "continue", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "will", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are made based upon certain assumptions and other important facts that, if untrue, could cause the actual results, performance or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, amongst others, currency fluctuations, the global economic climate, dilution, share price volatility and competition. Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the impact the COVID 19 pandemic may have on the Company's activities and the economy in general; the impact of the recovery post COVID 19 pandemic and its impact on precious metals; there being no assurance that the exploration program will result in expanded mineral resources; risks and uncertainties inherent to any mineral resource estimates; receipt of necessary approvals; general business, economic, competitive, political and social uncertainties; future gold and other metal prices; accidents, labour disputes and shortages; environmental and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.*



**SCHEDULE "B"**  
December 16, 2021 Press Release

## Graycliff Exploration Closes Second and Final Tranche of its Previously Announced Private Placement

*Not for dissemination in the United States of America*

**TORONTO, ON** - December 16, 2021 - [Graycliff Exploration Limited](#) (the “Company” or “Graycliff”) ([CSE: GRAY](#)) ([OTCQB: GRYCF](#)) ([FSE: GEO](#)) is pleased to announce the completion of the second and final tranche of a non-brokered private placement offering (the “Financing”). The second tranche of the Financing consisted of 1,124,99 Units (each, a “Unit”) of the Company, issued at a price of \$0.30 per Unit for gross proceeds of \$349,498.80. Each Unit consists of one common share and one (1) common share purchase warrant (a “Warrant”), with each Warrant entitling the holder to purchase one (1) common share at a price of \$0.45 for a period of two (2) years from the closing date.

On December 8, 2021, the Company completed the first tranche of the Financing through the issuance of 3,589,963 flow-through units (“FT Units”) at a price of \$0.30 per FT Unit, for gross proceeds of \$1,076,989.85. Each FT Unit consisted of one (1) common share issued as a “flow-through share” and one half (1/2) common share purchase warrant (each whole common share purchase warrant, a “FT Warrant”), with each FT Warrant entitling the holder to purchase one (1) common share at a price of \$0.45 for a period of two (2) years from the closing date.

Graycliff intends to use the net proceeds from the Financing for general working capital purposes.

In connection with the first tranche, the Company issued 248,497 finder’s warrants (the “Finder’s Warrants”) to certain eligible finders’. Each Finder’s Warrant is exercisable for one (1) common share at a price of \$0.30 and will expire two (2) years from the closing date. No compensation was paid in connection with the second tranche.

The participation by all four of the directors of the Company in the Financing constitutes a “related party transaction” pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Company intends to rely on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in Section 5.5(b) and Section 5.7(1)(b) of MI 61-101, respectively, on the basis that (i) no securities of the Company are listed or quoted on any of the markets specified in Section 5.5(b) of MI 61-101 and (ii) the fair market value of the securities issued to related parties pursuant to the Financing does not exceed \$2,500,000, along with the other applicable circumstances contained in section 5.7(1)(b) of MI 61-101.

All securities issued pursuant to the Financing will be legended with a hold period of four months and one day from the date of issuance.

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On Behalf of the Board of Directors,

James Macintosh  
President and CEO

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