

Form 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Crest Resources Inc.
#3043, 595 Burrard Street
Vancouver, BC V7X 1J1

Item 2 Dates of Material Change

June 2, 2022

Item 3 News Release

The press release was disseminated on June 2, 2022 through TheNewswire.

Item 4 Summary of Material Change

Vancouver, B.C. – June 2, 2022 - Crest Resources Inc. (CSE: CRES) (the “**Company**”) is pleased to announce the following changes to its management team and board of directors, as well as the formation of an Advisory Board.

Jason Cubitt, currently a non-executive board member, has been engaged to replace Emma Fairhurst as CEO.

James Channo, currently a partner at The Ince Group in London, England, has agreed to join the board of directors effective immediately.

Chris Huggins has resigned his post as President of Crest.

Alan Tam has agreed to assume the role of CFO.

Bryce Clark, outgoing CFO, will continue to consult to Crest.

Crest announces it has entered into a Letter of Intent to acquire a 69.5% interest in WitchiMag Pty Ltd. which owns a 100% interest in the Mount Hutton magnesite property; and a 80% interest in MagMetal Tech Pty, which owns a 100% interest in the Leigh Creek magnesite property (together referred to as the “**The Leigh Creek Project**”). The Leigh Creek Project comprises exploration licences covering over 600 square kilometers in South Australia, hosting a number of magnesite showings.

Crest announces a non-brokered private placement of up to a maximum 20 million units (the “Units”) at a price of \$0.05 per Unit (the “Offering”). Each Unit consists of one common share (a “Common Share”) and one (1) Common Share purchase warrant (a “Warrant”). Each Warrant is exercisable to acquire one Common Share at a price of \$0.06 for a period of 60-months after the closing of the Offering. All securities issued will be subject to a four month hold period from the date of closing of the Offering. In addition to the four month hold, the Common Shares will also be subject to a further resale restriction expiring thirty (30) months from the date of provided that, if at any time after the expiry of the four month hold, the 10 day volume weighted average price of the Common Shares of the Company, is equal to or greater than \$0.25, the 30 month restriction shall expire. Proceeds from the sale of the Units will be used for general working capital purposes.

Item 5 Full Description of Material Change

See attached press releases for details.

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**

Jason Cubitt
CEO
Tel: 778-819-2709

Item 9 **Date of Report**

June 10, 2022

NEWS RELEASE

CREST ANNOUNCES THE FOLLOWING CORPORATE UPDATE, PROPERTY ACQUISITION AND FINANCING

HIGHLIGHTS

- Additions to Management and Board
- Creation of an Advisory Board
- Acquisition of Leigh Creek Magnesite Project
- Announcement of Financing
- Setting of Stock Options

Vancouver, B.C. – June 2, 2022 - Crest Resources Inc. (CSE: CRES) (the “**Company**”) is pleased to announce the following changes to its management team and board of directors, as well as the formation of an Advisory Board.

Jason Cubitt, currently a non-executive board member, has been engaged to replace Emma Fairhurst as CEO. Mr. Cubitt adds considerable expertise to the executive team having worked as Director of Investments for an offshore natural resources fund as well as his recent experience successfully leading the dual-listing of Solis Minerals on the Australian Securities Exchange (“ASX”).

Jason Cubitt commented: “Emma Fairhurst stepped into this role at a time of transition for Crest and has guided the company to a solid base with a clear direction towards decarbonization investments and opportunities. Further, she has been instrumental in recruiting the very talented people mentioned in this release. Emma will stay with the Company in the role of Executive Chairperson and I look forward to working with her in this capacity.”

James Channo, currently a partner at The Ince Group in London, England, has agreed to join the board of directors effective immediately. Mr. Channo has 20 years’ experience advising mid and large cap companies on initial public offerings, private placements and mergers and acquisitions. He has advised LSE, ASX and TSX companies with a market capitalisation ranging between \$200 million and \$1 billion in connection with their institutional and retail capital raisings and acquisitions in a number of sectors including mining, fintech, energy, retail and financial services. He is consistently recognised as a leading lawyer for Corporate and M&A in Chambers UK and in The Legal 500 UK.

The Board has also nominated Jon Gill to be appointed as a Director at Crest’s upcoming Annual General Meeting. Jon is a founding shareholder and Director for 14-years with Cymat Technologies (CYM/TSX) a strategic material vendor in the EV sector. He is past President and Chairman of the Toronto Investment Dealers Association, former Operating Partner for merchant bank HSD Capital, and more recently the President and CEO of Super Electric Corporation, a private-branded consumer products company in North American and Asia, as well as the former managing director of SEGA Entertainment Canada.

Advisory Board

Crest has formed an Advisory Board to support the Company’s plans for growth. Inaugural members are Brian Moller and Greg English.

Brian Moller is a corporate partner in the Brisbane Australia-based law firm Hopgood Ganim Lawyers, specializing in capital markets, mergers and acquisitions and corporate financing and restructuring. He has acted on numerous transactions and capital raisings in both the industrial and resources and energy sectors. Brian brings a wealth of experience and expertise to the board, particularly in the corporate regulatory and governance areas.

Greg English, also joining the Advisory Board, is a qualified lawyer, mining engineer and experienced company director with more than 25 years' hands-on resource industry experience across precious metals, base metals, and energy. Greg is Executive Chairman of Archer Materials and Chairman of ASX-listed Core Lithium, currently developing one of Australia's most capital-efficient and lowest-cost spodumene lithium projects.

Chris Huggins has resigned his post as President of Crest. The Company thanks Chris for his considerable efforts managing the course of the company. Chris will stay involved with the group as we explore opportunities in long term energy storage.

Alan Tam has agreed to assume the role of CFO. Alan is a senior executive involved with structuring, planning and execution of IPOs, RTOs and CPCs. Formerly a financial planner with RBC Wealth and a Chartered Accountant with Lohn Caulder LLP, Mr. Tam is a CPA/CA and has dealt with tax, regulatory, investment management, international cash and tax management, compliance and accounting matters. Bryce Clark, outgoing CFO, will continue to consult to Crest. The Company thanks Bryce and his team for their dedication.

Emma Fairhurst commented: "I wish to thank Jason, the Board, and Advisory Board for their confidence in Crest, now and into the future. For myself, I believe in the value of Crest and will continue to work to build and realize value for all shareholders."

LEIGH CREEK, MOUNT HUTTON ACQUISITION

Crest announces it has entered into a Letter of Intent to acquire a 69.5% interest in WitchiMag Pty Ltd. which owns a 100% interest in the Mount Hutton magnesite property; and a 80% interest in MagMetal Tech Pty, which owns a 100% interest in the Leigh Creek magnesite property (together referred to as the "**The Leigh Creek Project**".) The Leigh Creek Project comprises exploration licences covering over 600 square kilometers in South Australia, hosting a number of magnesite showings.

Jason Cubitt commented: "Historic work on the Leigh Creek Project demonstrates a truly significant near-surface historical resource in a premier mining jurisdiction. This acquisition marks a major milestone for Crest and accelerates its progress into markets supportive of global decarbonization."

Magnesite ($MgCO_2$) is a hard rock mineral which occurs in two main forms: crystalline and cryptocrystalline. Crystalline magnesite makes up around 93% of the world's magnesite resources and is found in carbonate rocks. Cryptocrystalline (also known as amorphous) magnesite makes up the remaining 7% of resources and is mainly hosted in ultramafic rocks and freshwater sediments.

About The Leigh Creek Project

The Leigh Creek Project is located in Southern Australia and is composed of two exploration licences totaling 664 square kilometres. Within the bounds of the project there are several historical magnesite occurrences the Mount Hutton South, Mount Hutton, Mt Playfair, Pug Hill, Termination and Witchelina. Magnesite is predominantly present as magnesium carbonate and can either be upgraded via calcination into various industrial products or refined into magnesium metal. Crest is also reviewing the significant research that is being done on magnesium-ion battery formulations, as an alternative to lithium-ion chemistry, and will establish research partnerships to actively participate in this aspect of the global electrification initiative.

Magnesite showings on The Leigh Creek Project are of the cryptocrystalline sedimentary type, occurring in eoproterozoic skillogalee dolomite beds which are known to extend over 120 km in a north-west trend. The magnesite beds, which are up to 8 metres thick in places, were formed by almost pure magnesite precipitation in ancient, shallow marginal marine lagoons and mud flats. The cryptocrystalline magnesite clasts are set in a microcrystalline dolomite and talc matrix, and each magnesite bed has unique chemical and mineralogical characteristics making beds.

The magnesite occurrences on The Leigh Creek Project have historical resources associated with them. See table 1 below.

Historical Resource	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)	MgO (%)
Mount Hutton	18.3	42.0	53.0	113.3	42.9
Mount Hutton South		72.0	53.0	125.0	42.9
Mount Playfair	0.0	21.0	23.0	44.0	42.5
Pug Hill	0.0	10.0	10.0	20.0	42.7
Termination Hill	4.0	5.0	20.0	29.0	42.8
<u>Witchelina</u>	23.7	94.0	99.0	216.7	40.0
Myrtle Springs	0.0	10.0		10.0	42.9

Table 1 – Leigh Creek Historical Resource

The Leigh Creek Project was formerly owned by a succession of related companies including SAMAG, Pima Mining and Magnesium Development Limited and Magnesium International Limited. For simplicity all reference to historic information will be attributed to SAMAG.

These mineral resources are historical in nature and should not be relied upon. It is unlikely they conform to current CIM Definition Standards. They have not been verified to determine their relevance or reliability. The workload required to update these mineral resources to the current CIM standards criteria has not been evaluated.

The historical resources above are all from a 2002 Feasibility study Generated by SAMAG Limited. The parameters use to calculate each of the above historical estimates are discussed below as known. The historical resources are reported using Australasian Code for Reporting of Mineral Resources and Ore Reserves how the categories were calculated are unknown.

The qualified person has not a not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and the issuer is not treating the historical estimate as current mineral resources.

Mount Hutton and Mount Hutton South resources are sedimentary magnesite beds were assumed to be tabular bodies, due to their planar top and bottom surfaces and consistent thickness. Tonnage calculations were made considering thickness, vertical depth, dip and specific gravity. All Inferred Resources were calculated to a vertical depth of 60 m. Thicknesses of each bed were calculated by considering the apparent thickness from drill intercepts and the bedding angle of the top and bottom contacts.

A thickness for each bed at an average dip was extrapolated halfway to the neighbouring traverse. Not all magnesite beds were targeted in each traverse as some beds were only intercepted twice. In this situation, beds were identified in outcrop along strike and placed in the Inferred Resource Category. Magnesite beds intercepted in neighbouring traverses are assumed to be continuous between traverses and hence were placed in the Indicated Resource Category. A total of 328 specific gravity readings were taken including 100 of dolomite interburden rock. An average specific gravity was used for lower beds, which were not sampled. Grades represent weighted averages of all intercepts used in tonnage calculations.

Witchelina Resource Measured Resources were calculated using wireframes and digital terrain model volumes. The consistent nature of the shallow marine sedimentary magnesite beds enabled this method to be used with a high level of confidence.

The simple geological structure and thick uniform width of the magnesite beds at Witchelina enabled confident interpretation of cross-sections. Magnesite bed drillhole intercepts were joined with the corresponding surface outcrop, and then interpolated or extrapolated to approximately 60 m vertical depth from the overlying ground surface.

Wireframe bodies were built by interpolating between magnesite intersections in each drill-section. Wireframes were then validated using Micromine, and visually inspected in 3D view. Resources were calculated from the wireframe using the Micromine Modelling Wireframe Reserves function. An average specific gravity of 2.91 g/mL was used for tonnage estimation. The average SG value was calculated from 53 magnesite half-core samples.

MgO and CaO grades from the downhole assay file were assigned to the wireframe using 3D-point method in the Micromine Modelling Wireframe Reserves function. The wireframes weighted average grades were calculated using the “from-to” weighted method available in the wireframe reserve calculation function.

A simple volumetric approach based on the assumption that magnesite beds represent tabular bodies was used to calculate tonnages from Witchelina drilling data. Weighted averages of all geochemical intercepts used in tonnage calculations constitute the grades quoted.

Myrtle Springs and Mount Playfair resources were calculated using a simple volumetric approach based on the assumption that magnesite beds represent tabular bodies was used to calculate the tonnages. Pug Hill and Termination Hill Resource were calculated using a simple volumetric approach based on the assumption that magnesite beds represent tabular bodies was used to calculate tonnages from Pug Hill drilling data. Weighted averages of all geochemical intercepts used in tonnage calculations constitute the grades quoted.

The technical information contained in this news release has been reviewed and approved by Mr. Derrick Strickland, P.Geo. (1000315), a “Qualified Person” (“QP”) as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Leigh Creek Acquisition Terms are as Follows:

- Crest is required to pay to the vendor (a related party controlled by Emma Fairhurst) the sum of C\$1,000,000 upon the execution of a Letter of Intent. This amount is 50% refundable in the event the Parties fail to execute legally binding documentation (a “**Definitive Agreement**”) within a period of 60-days from receipt of shareholder approval.
- Crest will, subject to shareholder approval and upon execution of a Definitive Agreement, issue to the vendor 20 million shares in Crest from treasury for a total consideration (cash and shares) of C\$2,000,000 at a current Crest share price of \$0.05;
- Crest will make a one-time payment to the vendor of C\$7,500,000 contingent upon The Leigh Creek Project receiving a Positive Feasibility Study.
- The Vendor will be granted a net-smelter-royalty (“NSR”) of up to 2% such that the overall percentage of this NSR, and any potential pre-existing NSR, totals a maximum of 3%.

Financing

Crest announces a non-brokered private placement of up to a maximum 20 million units (the "Units") at a price of \$0.05 per Unit (the "Offering"). Each Unit consists of one common share (a "Common Share") and one (1) Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share at a price of \$0.06 for a period of 60-months after the closing of the Offering. All securities issued will be subject to a four month hold period from the date of closing of the Offering. In addition to the four month hold, the Common Shares will also be subject to a further resale restriction expiring thirty (30) months from the date of provided that, if at any time after the expiry of the four month hold, the 10 day volume weighted average price of the Common Shares of the Company, is equal to or

greater than \$0.25, the 30 month restriction shall expire. Proceeds from the sale of the Units will be used for general working capital purposes.

Stock Options

The Company also announces that, in accordance with the Company's stock option plan, it has granted to new and existing directors, officers, advisors and consultants incentive stock options to purchase up to an aggregate of has issued 8,075,000 common shares exercisable on or before June 2, 2027 at a price of \$0.06. All stock options will vest over 24 months, as to 20% immediately and every 6 months thereafter.

FOR FURTHER INFORMATION CONTACT:

Jason Cubitt
Chief Executive Officer

Emma Fairhurst
Executive Chairperson

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