

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

**Item 1 Name and Address of Company**

Core Assets Corp. (the “**Company**”)  
Suite 1450 – 789 West Pender Street  
Vancouver, BC, V6C 1H2

**Item 2 Date of Material Change**

January 21, 2022 and January 24, 2022

**Item 3 News Release**

The news releases were disseminated on January 21, 2022 and January 24, 2022 through FCS Wire.

**Item 4 Summary of Material Change**

The Company announced that it has completed its previously announced non-brokered private placement (the “**Offering**”), as described in its News Release of December 29, 2021, pursuant to which it issued an aggregate of 6,657,752 units (each, a “**Unit**”) at a price of \$0.24 per Unit for gross proceeds of \$1,597,860.48.

Each Unit is comprised of one common share (each, a “**Share**”) in the capital of the Company and one transferable Share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one additional Share (each, a “**Warrant Share**”) for a period of two years from the closing date (the “**Closing Date**”) at an exercise price of \$0.39 per Warrant Share.

In connection with the Offering, Crescat Portfolio Management LLC (“**Crescat**”) and certain accounts managed by Crescat Portfolio Management LLC collectively made an strategic investment in the Company of approximately \$1,275,000 (the “**Crescat Investment**”). Contemporaneous to and as consideration for the Crescat Investment, the Company granted Crescat a right to participate in future financings of the Company (the “**Participation Right**”) so as to allow Crescat to maintain its current equity stake. The Participation Right terminates on the earlier of: (i) the date that is 5 years from the date of grant of the Participation Right, and (ii) the date on which Crescat’s ownership of Shares falls below 5% of the then outstanding Shares on a non-diluted basis.

All securities issued in connection with the Offering are subject to a four month hold as required under applicable securities laws as well as an 18 month voluntary hold from the Closing Date split up into 3 releases of one third (1/3) of the securities issued in connection with the Offering every six months from the Closing Date.

The proceeds of the Offering are anticipated to be used for further exploration programs at the Company’s Blue Property and for general working capital purposes. Insiders of the Company may participate in the Offering. Cash finder’s fees of \$4,100.64 were paid to eligible finders in connection with the Offering.

Andrew Carne and Sean Charland, directors of the Company, and Jody Bellefleur the Chief Financial Officer of the Company, were issued 20,800 Units, 85,000 Units and 25,000 Units respectively under the Offering. Accordingly, each of Messrs. Carne’s and Charland’s and Ms. Bellefleur’s subscriptions constituted a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The issuance to the insiders was 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 securities issued to the related parties did not exceed 25% of the Company’s market capitalization.

None of the securities sold in connection with the Offering will be registered under the United States Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Company also announced that it has appointed Ms. Monica Barrington as Vice President of Exploration, Mr. Joel Faltinsky as Director, and Mr. David Gower as a Technical Advisor to the Company. The Company also announces the resignation of Mr. Scott Rose as a Director of the Company.

Ms. Barrington is an Atlin-based exploration geologist. She graduated with a Bachelor of Science (Honors) Degree in Earth Sciences from Memorial University of Newfoundland and holds a combined 9 years of experience in research and mineral exploration in Eastern Canada, as well as the Golden Triangle and Atlin Mining Camp of northwest British Columbia. Prior to joining the Core Assets team, Ms. Barrington was employed as Senior Project Geologist with Brixton Metals Corporation where her work focused on the advancement of their porphyry-epithermal and orogenic gold targets in British Columbia. During this time, she was responsible for the planning and management of regional exploration programs, logistics, permitting, and mine compliance for their “Thorn” and “Atlin Goldfields” projects.

Mr. Faltinsky holds a Bachelor of Engineering, Electrical & Electronics from James Cook University in Australia and has over 8 years experience working in the mining and resources sector. He has experience in operations, engineering, project management, and investor relations in Australia and Canada, with companies including BHP Billiton, BHP Mitsubishi Alliance (BMA), Anglo American, Glencore and Peabody. Notably, Mr. Faltinsky worked on-site at South32’s Cannington Mine (then BHP Billiton) which is a leading producer of lead, zinc and silver. Recently, he has served as the Investor Relations Manager for Voltaic Minerals Corporation, a publicly traded company on the TSX Venture Exchange, and is currently Vice President of First Phase Media, a private digital media agency servicing public companies across Canada including mining & exploration, cannabis, tech and healthcare.

Mr. Gower holds a Bachelor of Science degree in Geology from St. Francis Xavier University in Nova Scotia and a Master of Science degree in Earth Sciences from Memorial University of Newfoundland. He has been active in the mineral industry for over 30 years, including positions with Noranda Inc. (now Glencore Canada Corporation) as Manager of Atlantic Canada Exploration, and at Falconbridge Ltd. At Falconbridge Ltd., Mr. Gower served as General Manager of Global Nickel and Platinum Group Metal (PGM) Exploration and as a member of the senior operating team that approved capital budgets for new mining projects. Mr. Gower has been involved in numerous discoveries and mine development projects including at Raglan, Mattagami and Sudbury, Canada, as well as greenfield discoveries in Brazil and Tanzania. He currently serves as the Chief Executive Officer of Emerita Resources Corporation and as a director of Alamos Gold and Exploits Discovery Corporation.

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

### *5.1 Full Description of Material Change*

See Item 4 above as well as the news releases filed on SEDAR dated January 21, 2022 and January 24, 2022 for a full description of the Material Changes.

#### **Disclosure Required by MI 61-101**

Pursuant to MI 61-101, the Offering constitutes a “related party transaction” as related parties of the Company participated in the Offering.

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:*

The Company entered into a subscription agreement with Jody Bellefleur, the Chief Financial Officer of the Company, whereby Ms. Bellefleur agreed to purchase 25,000 Units of the Company at a price of \$0.24 per Unit for proceeds of \$6,000.

The Company entered into a subscription agreement with Sean Charland, a director of the Company, whereby Mr. Charland agreed to purchase 85,000 Units of the Company at a price of \$0.24 per Unit for proceeds of \$20,400.

The Company entered into a subscription agreement with Andrew Carne, a director of the Company, whereby Mr. Carne agreed to purchase 20,800 Units of the Company at a price of \$0.24 per Unit for proceeds of \$4,992.

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

The aggregate gross proceeds from the sale of the Offering will be used for working capital and for an expanded exploration program on the Company's Atlin Mining District project.

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

The aggregate gross proceeds from the sale of the Offering will be used for working capital and for an expanded exploration program on the Company's Atlin Mining District project.

*(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:*

See item (a).

*(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 Offering on the percentage of securities of the Company beneficially owned or controlled by Jody Bellefleur, Sean Charland and Andrew Carne:

Name and Position	Dollar Amount of Securities Purchased	Number of Securities Purchased	No. of Shares Held prior to Closing of the Offering	Percentage of Issued and Outstanding Shares prior to Closing of the Offering	No. of Shares Held After Closing of the Offering	Percentage of Issued and Outstanding Shares After Closing of the Offering
Jody Bellefleur CFO	\$6,000	\$25,000 Units	Undiluted: 230,000  Diluted: 460,000 <sup>(1)</sup>	Undiluted: 0.38% <sup>(2)</sup>  Diluted: 0.76% <sup>(3)</sup>	Undiluted: 255,000  Diluted: 510,000 <sup>(4)</sup>	Undiluted: 0.38% <sup>(5)</sup>  Diluted: 0.76% <sup>(6)</sup>
Sean Charland Director	\$20,400	85,000 Units	Undiluted: 1,735,100  Diluted: 2,840,100 <sup>(7)</sup>	Undiluted: 2.88% <sup>(2)</sup>  Diluted: 4.63% <sup>(8)</sup>	Undiluted: 1,820,100  Diluted: 3,010,000 <sup>(9)</sup>	Undiluted: 2.72% <sup>(5)</sup>  Diluted: 4.42% <sup>(10)</sup>

Name and Position	Dollar Amount of Securities Purchased	Number of Securities Purchased	No. of Shares Held prior to Closing of the Offering	Percentage of Issued and Outstanding Shares prior to Closing of the Offering	No. of Shares Held After Closing of the Offering	Percentage of Issued and Outstanding Shares After Closing of the Offering
Andrew Carne Director	\$4,992	20,800 Units	Undiluted: 75,000  Diluted: 0	Undiluted: 0.12% <sup>(2)</sup>  Diluted: 0%	Undiluted: 95,800  Diluted: 116,600 <sup>(11)</sup>	Undiluted: 0.14% <sup>(5)</sup>  Diluted: 0.17% <sup>(12)</sup>

- (1) Comprised of: (i) 230,000 Shares held directly, (ii) 200,000 options held directly, each of which is exercisable into one Share, of which 150,000 are exercisable at a price of \$0.10 per Share until December 21, 2022 and 50,000 are exercisable at a price of \$0.14 per Share until June 11, 2023 and (iii) 30,000 Warrants held directly, each of which is exercisable into one Share at a price of \$0.15 per Share until March 17, 2023.
- (2) Based on 60,211,449 Shares outstanding prior to the completion of the Offering.
- (3) Based on 60,441,449 Shares outstanding on a partially diluted-basis prior to the completion of the Offering comprised of: (i) 60,211,449 Shares outstanding prior to the completion of the Offering; (ii) 200,000 Shares that may be issuable on exercise of options held directly and 30,000 Shares that may be issuable on exercise of warrants held directly.
- (4) Comprised of: (i) 255,000 Shares held directly, (ii) 25,000 Warrants held directly, each of which is exercisable into one Share at a price of \$0.39 per Share until January 21, 2024 and (iii) all of the convertible securities set out in footnote (1) above.
- (5) Based on 66,869,201 Shares outstanding following the completion of the Offering.
- (6) Based on 67,124,201 Shares outstanding on a partially diluted-basis following the completion of the Offering, comprised of: (i) 66,869,201 Shares outstanding following the completion of the Offering, (ii) 200,000 Shares that may be issuable on exercise of options held directly and (iii) Shares that may be issuable on exercise of 55,000 Warrants held directly.
- (7) Comprised of: (i) 1,735,100 Shares held directly, (i) 650,000 options held directly, each of which is exercisable into one Share, of which 150,000 are exercisable at a price of \$0.10 per Share until December 21, 2022 and 500,000 are exercisable at a price of \$0.14 per Share until June 11, 2023 and (iii) 455,000 warrants held directly, each of which is exercisable into one Share at a price of \$0.25 per Share until August 25, 2023.
- (8) Based on 61,316,449 Shares outstanding on a partially diluted-basis prior to the completion of the Offering comprised of: (i) 60,211,449 Shares outstanding prior to the completion of the Offering, (ii) 650,000 Shares that may be issuable on exercise of options held directly and 455,000 Shares that may be issuable on exercise of warrants held directly.
- (9) Comprised of: (i) 1,820,100 Shares held directly, (ii) 85,000 Warrants held directly, each of which is exercisable into one Share, exercisable at a price of \$0.39 per Share until January 21, 2024 and (iii) all of the convertible securities set out in footnote (7) above.
- (10) Based on 68,059,201 Shares outstanding on a partially diluted-basis following the completion of the Offering, comprised of: (i) 66,869,201 Shares outstanding following the completion of the Offering, (ii) 650,000 Shares that may be issuable on exercise of options held directly and (iii) 540,000 Shares that may be issuable on exercise of Warrants held directly.
- (11) Comprised of: (i) 95,800 Shares held directly and (ii) 20,800 Warrants held directly, each of which is exercisable into one Share at a price of \$0.29 per Share until January 21, 2024.
- (12) Based on 66,890,001 Shares outstanding on a partially diluted-basis following the completion of the Offering, comprised of: (i) 66,869,201 Shares outstanding following the completion of the Offering and (ii) 20,800 Shares that may be issuable on exercise of Warrants held directly.

*(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:*

Resolutions of the board of directors were passed on January 21, 2022 which approved the Offering, with each of Sean Charland and Andrew Carne abstaining from voting. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

*(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 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.

*(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:*

See item (a).

*(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 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:*

The Offering is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in section 5.5(a) and 5.7(1)(a) of MI 61-101, since neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Offering, insofar as it involves interested parties, exceeds 25% of the Company's market capitalization.

The Company did not file a material change report 21 days prior to closing of the Offering as the Company was not aware of all details of the insider participation in the Offering until just before closing.

See attached new release with respect to the matter described above.

**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**

Contact: Nicholas Rodway, President & CEO  
Telephone: 604.681.1568

**Item 9 Date of Report**

January 31, 2022