

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

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

Makara Mining Corp.  
1500 – 1055 West Georgia Street  
Vancouver, British Columbia V6E 4N7  
Canada

**Item 2. Date of Material Change**

December 8, 2021 and January 31, 2022.

**Item 3. News Release**

News releases dated November 23, 2021 and February 3, 2022 were disseminated and subsequently filed on SEDAR.

**Item 4. Summary of Material Change**

The Company entered into debt settlement agreements with certain directors and employees of the Company (collectively, the “**Creditors**”) to settle the following debts: (i) an aggregate of \$147,700 in debt for the period up to October 31, 2021 (the “**First Debt Settlement**”); and (ii) an aggregate of \$108,525 in debt for the period of November 2021 to January 31, 2022 (the “**Second Debt Settlement**”, and together with the First Debt Settlement, the “**Debt Settlements**”).

Pursuant to the First Debt Settlement, the Company issued an aggregate of 1,230,833 common shares in the capital of the Company (the “**Debt Shares**”) at a deemed price of \$0.12 per Debt Share. Pursuant to the Second Debt Settlement, the Company issued an aggregate of 1,356,562 Debt Shares at a deemed price of \$0.08 per Debt Share.

The Debt Settlements constituted a “related party transaction” for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as certain of the Creditors are related parties of the Company: Mr. Hendrickson is Chief Executive Officer, President and a director; Mr. von Kursell is Chief Financial Officer and a director; and Mr. Maddin, Ms. Yondon and Mr. Deol are all directors of the Company. However, the Debt Settlements are exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) as the fair market value of the Debt Settlements does not exceed 25% of the Company’s market capitalization.

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

**5.1 Full Description of Material Change**

Pursuant to the debt settlement agreements, the Company issued common shares to the Creditors as follows:

Creditor	No. of Common Shares	
	First Debt Settlement (\$0.12/Debt Share)	Second Debt Settlement (\$0.08/Debt Share)
Grant Hendrickson	350,000	375,000
Andrew von Kursell	300,000	337,500
Hugh Maddin	100,000	168,750
Uranbileg Yondon	243,333	137,812
Spiral Investment Corp (on behalf of Gurcharn Deol)	75,000	112,500
Employee	150,000	225,000
Former Director	12,500	Nil

All securities issued in connection with the Debt Settlements are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

**Disclosure Required by MI 61-101**

Pursuant to MI 61-101, the Debt Settlements constitute a “related party transaction” as the Company issued common shares to related parties.

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*

On December 8, 2021, the Company issued an aggregate of 1,230,833 Debt Shares to Grant Hendrickson, Andrew von Kursell, Uranbileg Yondon, Spiral Investment Corp (on behalf of Gurcharn Deol), an employee, and a former director. The Debt Shares were issued at a deemed price of \$0.12 per Debt Share to settle an aggregate total of \$147,700 of debt.

On January 31, 2022, the Company issued an aggregate of 1,356,562 Debt Shares to Grant Hendrickson, Andrew von Kursell, Uranbileg Yondon, Spiral Investment Corp (on behalf of Gurcharn Deol), and an employee. The Debt Shares were issued at a deemed price of \$0.08 per Debt Share to settle an aggregate total of \$105,525 of debt.

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

The Debt Settlements related to outstanding fees owed to certain directors and employees for their service to the Company.

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

The Debt Settlements put the Company forward with a clean balance sheet as it seeks to progress exploration on its Rude Creek and Idaho Creek projects in the Yukon.

*(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*

For the First Debt Settlement, the Company issued 1,230,833 Debt Shares at a deemed price of \$0.12 per Debt Share as follows: 350,000 (\$42,000) to Mr. Hendrickson; 300,000 (\$36,000) to Mr. von Kursell; 100,000 (\$12,000) to Hugh Maddin; 243,333 (\$29,200) to Ms. Yondon; 75,000 (\$9,000) to Spiral Investment Corp (on behalf of Mr. Deol); 150,000 (\$18,000) to an employee; and 12,500 (\$1,500) to a former director.

For the Second Debt Settlement, the Company issued 1,356,562 Debt Shares at a deemed price of \$0.08 per Debt Share as follows: 375,000 (\$30,000) to Mr. Hendrickson; 337,500 (\$27,000) to Mr. von Kursell; 168,750 (\$13,500) to Mr. Maddin; 137,812 (\$11,025) to Ms. Yondon; 112,500 (\$9,000) to Spiral Investment Corp (on behalf of Mr. Deol); and 225,000 (\$18,000) to an employee.

*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 Settlements on the percentage of securities of the Company beneficially owned or controlled by each Creditor:

<b>Name and Position</b>	<b>Dollar Amount of Securities Issued</b>	<b>No. of Shares held prior to the Debt Settlements</b>	<b>Percentage of Issued and Outstanding Shares prior to the Debt Settlements<sup>(1)</sup></b>	<b>No. of Shares Held After the Debt Settlements</b>	<b>Percentage of Issued and Outstanding Shares After the Debt Settlements<sup>(2)</sup></b>
Grant Hendrickson <i>CEO, President and Director</i>	\$72,000	90,000	0.23%	815,000	1.98%
Andrew von Kursell <i>CFO and Director</i>	\$63,000	360,000	0.93%	997,500	2.42%
Hugh Maddin <i>Director</i>	\$25,500	25,000	0.06%	293,750	0.71%
Uranbileg Yondon <i>Director</i>	\$40,225	Nil	Nil	381,145	0.92%
Spiral Investment Corp (on behalf of Gurcharn Deol) <i>Director</i>	\$18,000	Nil	Nil	187,500	0.45%
<i>Employee</i>	\$36,000	Nil	Nil	375,000	0.91%
<i>Former Director</i>	\$1,500	50,000	0.13%	62,500	0.15%

**Notes:**

- (1) Based on 38,661,343 issued and outstanding common shares of the Company prior to the Debt Settlements.
- (2) Based on 41,248,738 issued and outstanding common shares of the Company after the Debt Settlements.

*(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 which approved the Debt Settlements. No special committee was established in connection with the Debt Settlements.

*(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*
- 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 5.1(a) above.

*(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 Debt Settlements are exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) as the fair market value of the Debt Settlements does not exceed 25% of the Company's market capitalization.

**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**

None.

**Item 8. Executive Officers**

Grant Hendrickson  
Chief Executive Officer  
[grant@makaramining.com](mailto:grant@makaramining.com)

**Item 9. Date of Report**

February 11, 2022.