

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Makara Mining Corp. (“**Makara**” or the “**Company**”)
1500 – 1055 West Georgia Street
Vancouver, British Columbia V6E 4N7
Canada

Item 2. Date of Material Change

May 31, 2022.

Item 3. News Release

News releases dated March 14, 2022 and May 31, 2022 were disseminated and subsequently filed on SEDAR.

Item 4. Summary of Material Change

The Company completed the first tranche of its non-brokered private placement of units of the Company (the “**Units**”) previously announced on March 14, 2022 (the “**Offering**”), for gross proceeds of \$263,865.53.

Since Grant Hendrickson, CEO, and Hugh Maddin, Director (through his company, Cambrian Capital Corp.), who are both insiders of the Company (the “**Insiders**”), participated directly or indirectly in this Offering, such participation constituted a “related party transaction”, as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company has completed the first tranche of the Offering and issued 3,518,207 Units, at \$0.075 per Unit, for aggregate gross proceeds of \$263,865.53. Each Unit consisted of one common share of the Company (each, a “**Share**”) and one common share purchase warrant (each, a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire, on payment of \$0.09 to the Company, one common share of the Company (each, a “**Warrant Share**”) until May 31, 2024, subject to adjustment in certain circumstances.

All securities issued in connection with this first tranche Offering are subject to a statutory hold period expiring on October 1, 2022 in accordance with applicable securities legislation.

The Company intends to complete further tranche(s) of the Offering by August 2022.

There is no material fact or material change of the Company that has not been disclosed.

This report does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities

Act of 1933, as amended (the “1933 Act”) or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

All references to currency in this report are in Canadian dollars.

For further details of the Offering and the allocation of the proceeds of the Offering, please see the Company’s news release dated March 14, 2022 filed under the Company’s profile on SEDAR at <https://www.sedar.com>.

Disclosure Required by MI 61-101

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

Two Insiders of the Company participated directly or indirectly for a total \$113,865.52 (1,518,207 Units) of the gross proceeds of the first tranche of the Offering. See Items 4 and 5 above for a description of the material terms of the Offering.

(b) the purpose and business reasons for the transaction

The Company intends to use the proceeds of the Offering as follows: (i) first, to the costs of the Offering; (ii) second, on general corporate activities, including permitting, legal costs, audit fees and listing fees required to maintain the Company in good standing; and (iii) finally, the balance of the net proceeds will be used on exploration work on the Yukon properties, including geochemistry, geophysics and drilling.

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

The proceeds of the Offering will fund the Company’s working capital and operating expenses.

(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

Mr. Hendrickson subscribed for 885,765 Units, while Mr. Maddin (through his company, Cambrian Capital Corp.) subscribed for 632,442 Units. Both payments were pursuant to debt owed by the Company to the Insiders.

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

As a result of their participation in the Offering, Mr. Hendrickson’s percentage of securities of the Company increased from 2.57% to 4.47%, on an undiluted basis, and 4.18% on a fully diluted basis, and Mr. Maddin’s percentage of securities of the Company (through both Mr. Maddin and Cambrian Capital

Corp.) increased from 1.24% to 2.60%, on an undiluted basis, and 4.93% on a fully diluted 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*

The board of directors of the Company approved the Offering on March 14, 2022.

- (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*

Pursuant to section 5.5(b) of MI 61-101, the Company is exempt from obtaining a formal valuation as the Shares are not listed on a specified market due to being listed on the Canadian Securities Exchange (“CSE”).

Pursuant to section 5.7(1)(b) of MI 61-101, the Company is exempt from obtaining minority approval of the Company’s shareholders in respect of the issuance to the Insiders as the fair market value is not more than \$2,500,000; the securities of the Company are only listed on the CSE; 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 these directors approved the Offering.

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

Item 9. Date of Report

June 14, 2022.

This report includes certain forward-looking statements concerning the use of proceeds of the Offering, the future performance of our business, its operations and its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. Forward-looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, the future tax treatment of the Units issued as flow through shares, competitive risks and the availability of financing, as described in more detail in our recent securities filings available at www.sedar.com. Actual events or results may differ materially from those projected in the forward-looking statements and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward-looking statements except as required by applicable law.