

FORM 51-102F3
Material Change Report

1. Name and Address of Company

Clarity Metals Corp. (the “**Company**”)
1680 – 355 Burrard Street
Vancouver, BC V6C 2G8

2. Date of Material Changes

December 28, 2022

3. News Release

The news release dated December 29, 2022 was issued through Cision.

4. Summary of Material Changes

On December 28, 2022, the Company closed its private placement financing consisting of 10,000,000 units (each, a “**Unit**”) at a price of \$0.10 per Unit for gross proceeds of \$1,000,000 (the “**Offering**”).

Each Unit consists of one common share of the Company (each, a “**Share**”) and one share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one additional Share (each, a “**Warrant Share**”) at a price of \$0.12 per Warrant Share for a period of three years from closing of the Offering, subject to an acceleration provision whereby in the event the Shares have a closing price on the Canadian Securities Exchange (or such other exchange on which the Shares may be traded at such time) of \$0.50 or greater per Share for a period of ten (10) consecutive trading days at any time after four months and one day from the date of issuance, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof (by disseminating a news release advising of the acceleration of the expiry date of the Warrants) and, in such case, the Warrants will expire on the thirtieth (30) day after the date of such notice.

The Company paid \$5,100 cash finder’s fee and issued 51,000 broker warrants (the “**Broker Warrants**”) to one eligible finder in connection with the closing of the Offering in accordance with applicable securities laws. The Broker Warrants have the same terms and conditions as the Warrants.

Proceeds from the Offering will be used for general corporate, investor relations marketing and working capital.

The securities issued under the Offering, and the shares that may be issuable on exercise of the Warrants, are subject to a statutory hold period expiring on April 29, 2023.

None of the securities issued in the Offering have been, and none of them will be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons

unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. An insider of the Company acquired 200,000 Units which constituted a related party transaction under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“MI 61- 101”). The issuance to the insider is exempt from the valuation requirement of MI 61-101 by the 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(1)(a) as the value of the Units did not exceed 25% of the Company’s market capitalization.

5. Full Description of Material Changes

5.1 Full Description of Material Changes

See Item 4 above and the news release which has been filed on SEDAR at www.sedar.com for a detailed description of the material change.

Disclosure Required by MI 61-101

Pursuant to MI 61-101, the Offering constituted a “related party transaction” as a director 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:

See Item 4 above for a description of the Offering.

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

The aggregate gross proceeds from the sale of the Offering will be used for general corporate, investor relations marketing and working capital.

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

The Company does not anticipate any material effect on the Company’s business and affairs.

(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:

Rose Zanic, a director of the Company, was issued 200,000 Units for gross proceeds of \$20,000.

(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 each of Ms. Zanic:

Name and Position	Dollar Amount of Offering	Number of Units to be Issued	No. of Securities Held prior to Closing of the Offering	Percentage of Issued and Outstanding Securities prior to Closing of the Offering	No. of Securities Held After Closing of the Offering	Percentage of Issued and Outstanding Securities After Closing of the Offering
Rose Zanic Director	\$20,000	200,000	Undiluted: 0 Diluted: 0	Undiluted: 0% ⁽¹⁾ Diluted: 0%	Undiluted: 200,000 Diluted: 400,000 ⁽²⁾	Undiluted: 0.47% ⁽³⁾ Diluted: 0.93% ⁽⁴⁾

⁽¹⁾ Based on 32,642,592 Shares outstanding prior to the completion of the Offering.

⁽²⁾ Comprised of: (i) 200,000 Shares held directly by Ms. Zanic and (ii) 200,000 Warrants, each of which is exercisable into one Share exercisable at a price of \$0.12 per Share until December 28, 2025.

⁽³⁾ Based on 42,642,592 Shares outstanding following the completion of the Offering.

⁽⁴⁾ Based on 42,842,592 Shares outstanding on a partially-diluted basis following the completion of the Offering, comprised of: (i) 42,642,592 Shares outstanding after the completion of the Offering and (ii) 200,000 Shares that may be issuable on exercise of Warrants held directly by Ms. Zanic.

(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:*

Ms. Zanic abstained on the resolution of the board of directors approving the Offering with respect to her subscription. A special committee was not established in connection with the approval of the Offering, 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:

The Company entered into a subscription agreement with Rose Zanic pursuant to which Ms. Zanic acquired 200,000 Units for gross proceeds of \$20,000.

(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 Sections 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 Units issued to the related party did not exceed 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the closing of the Offering, there is a requirement under MI 61-101 to explain why the shorter period is reasonable or necessary in the circumstances. In the view of the Company, such shorter period is reasonable and necessary in the circumstances because the Company wished to complete the Offering in a timely manner.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

None.

8. Executive Officer

James Rogers, CEO
1 (833) 387-7436

9. Date of Report

January 5, 2023