

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 — Name and Address of Company
Muzhu Mining Ltd. (the “Company”)
777 Hornby Street, Suite 600
Vancouver, BC V6Z 1S4

ITEM 2 — Date of Material Change
June 29, 2022

ITEM 3 — News Release
The Company issued a press release announcing the completion of the Offering (as defined below) on June 29, 2022 through the facilities of Newswire and filed on SEDAR at www.sedar.com. A copy of the press release is attached hereto as Schedule “A”.

ITEM 4 — Summary of Material Change
The Company closed its non-brokered private placement (the “Offering”). The Offering consisted of 2,276,667 units (the “Units”), issued at a price of \$0.12 per Unit for gross proceeds of \$273,200.04. Each Unit consisted of one (1) common share and one-half of one (1/2) non-transferrable common share purchase warrant (each whole common share purchase warrant, a “Warrant”). Each Warrant will entitle the holder to purchase one common share at a price of \$0.20 until June 29, 2023.

The common shares comprising part of the Units are subject to a four month and one day hold period.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”).

(a) a description of the transaction and its material terms:

In connection with the Offering, 125,000 Units were issued to Don Baxter, President, Chief Executive Officer and Director (the “Insider”) of the Company, as described in greater detail below.

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

The proceeds raised from the Offering are intended to be used for marketing through Market One Media Group, work to be performed on the XWG Silver project in China and for general working capital purposes.

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

The Company intends to use the net proceeds of the Offering for marketing through Market One Media Group, work to be performed on the XWG Silver project in China and for general working capital purposes.

(d) a description of:

(i) the interest in the transaction of every interested part and of the related parties and associated entities of the interested parties:

In connection with the Offering, the following securities were issued to the Insider of the Company:

Name	Position	Number of Units	Aggregate Price
Don Baxter	President and Chief Executive Officer and Director	125,000 Units	\$15,000
Total		125,000	\$15,000

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for where there would be a material change in that percentage.

Prior to the completion of the Offering, Don Baxter beneficially owned or controlled, directly or indirectly, 200,000 stock options, representing 0% of the issued and outstanding common shares on an undiluted basis. Upon closing of the Offering, Mr. Baxter beneficially owns or controls, directly or indirectly, an aggregate of 125,000 common shares, 62,500 warrants, and 200,000 stock options representing approximately 0.005% of the issued and outstanding common shares on an undiluted 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.

A resolution of the board of directors of the Company approving the Offering was passed on June 27, 2022. No special committee was established in connection with the Offering. Mr. Baxter abstained from voting to approve the Offering.

(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 every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

- (i) **that has been made in the 24 months prior to the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior 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.

Other than the subscription agreements to purchase and issue, respectively, the Units pursuant to the Offering, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

(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, respectively, and the fact supporting reliance on the exemptions.

The participation in the Offering by the Insider is exempt from the formal valuation and minority shareholder approval requirements set out in MI 61-101. Specifically, the Company is relying on the exemptions set out in sections 5.5(b) and 5.7(1)(b) of MI 61-101, as described below.

Section 5.5(b) of MI 61-101

No securities of the Company are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Section 5.7(1)(b) of MI 61-101

Neither the fair market value of the Units issued to the Insiders under the Offering nor the consideration paid for the Units by the Insiders exceeded \$2,500,000, and:

- (i) the securities of the Company are not listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States; and
- (ii) 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 those directors participated in the approval of the Offering. Specifically, four (4) directors of the Company participated in the

approval of the Offering, of which three (3) were independent directors, which constituted all of the independent directors for the purposes of MI 61-101.

ITEM 5 — Full Description of Material Change

Please refer to Schedule “A”.

ITEM 6 — Reliance on Section 7.1(2) or (3) of National Instrument 51-102 of the Act

N/A

ITEM 7 — Omitted Information

N/A

ITEM 8 — Executive Officer

Richard Sung Yin Tong, Chief Financial Officer, and Director
778-885-6370

ITEM 9 — Date of Report

July 8, 2022

SCHEDULE "A"
June 29, 2022 Press Release



MUZHU MINING CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT FOR \$273,000.

June 29, 2022 - Vancouver, BC; Muzhu Mining Ltd. (CSE: MUZU) (“Muzhu” or the “Company”) is pleased to announce that the Company has closed the first tranche of its private placement that was first announced on May 5, 2022 (the “**Private Placement**”). The closing of the first tranche was for 2,276,667 units at a price of \$0.12 per unit (the “**Units**”) for gross proceeds of \$273,200.04. Each Unit consists of one common share in the capital of the company and one-half of one common share purchase warrant (each whole common share purchase warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.20 until June 29, 2023.

Donald Baxter, Muzhu Mining’s CEO commented, “it is good to see the participation and interest in the financing and proceeds from the first tranche will go towards marketing through Market One Media Group, work to be performed on the XWG Silver project in China led by Mr. Anthony Tam, Vice President of China Operations, and towards working capital.”

The participation by Donald Baxter in the Private Placement constitutes a “related party transaction” pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company intends to rely on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in Section 5.5(b) and Section 5.7(1)(b) of MI 61-101, respectively, on the basis that (i) no securities of the Company are listed or quoted on any of the markets specified in Section 5.5(b) of MI 61-101, and (ii) the fair market value of the securities issued to Mr. Baxter pursuant to the Private Placement does not exceed \$2,500,000, along with the other applicable circumstances contained in section 5.7(1)(b) of MI 61-101.

ON BEHALF OF THE BOARD OF DIRECTORS

Donald Baxter, P. ENG

CEO

Muzhu Mining Ltd.

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Muzhu Mining Ltd. is a Canadian publicly traded exploration company with a portfolio of prospective projects at various stages of development. Muzhu currently holds a 100% interest in the Sleeping Giant South Project, located in the Abitibi Greenstone Belt, approximately 75km South of Matagami, Quebec. As well, Muzhu has executed an

option agreement to acquire up to 80% of the Silver, Zinc, Lead XWG Property in the Henan Province of China.

Cautionary Notes

This news release is not to be distributed in the United States nor does it 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.

This release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements regarding the timing and amount of estimated future exploration and the success of such exploration activities and the anticipated use of funds by the Company that were received from the Private Placement.

Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "schedule", "estimates", "forecasts", "intends", "continue", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "will", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are made based upon certain assumptions and other important facts that, if untrue, could cause the actual results, performance or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future.

Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, amongst others, currency fluctuations, the global economic climate, dilution, share price volatility, competition, labour shortages, and unanticipated expenses of the Company. Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the impact the COVID 19 pandemic may have on the Company's activities and the economy in general; the impact of the recovery post COVID 19 pandemic and its impact on precious metals; receipt of necessary approvals; general business, economic, competitive, political and

social uncertainties; future metal prices; accidents, labour disputes and shortages; environmental risks; and other risks of the mining industry.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Neither the Canadian Securities Exchange (the “CSE”) nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.