

FORM 51-102F3
MATERIAL CHANGE REPORT

Name and Address of Company

1. Cirrus Gold Corp. (“**Cirrus**” or the “**Company**”)
2710 - 200 Granville Street
Vancouver, BC V6C 1S4

2. **Date of Material Change**

January 13, 2022

3. **News Release**

The news release announcing the material change referred to in this report was disseminated on January 13, 2022 through approved public media and filed on SEDAR on January 13, 2022 (the “**News Release**”).

4. **Summary of Material Change**

As disclosed in the News Release, Cirrus announced the entering into of a binding letter agreement (“**Letter Agreement**”) with Pyramid Peak Mining, LLC. (“**PPM**”), a wholly owned subsidiary of Waterton Precious Metals Fund II Cayman, LP (“**Waterton**”), and Mason Resources (US) Inc., a wholly owned subsidiary of Hudbay Minerals Inc. (“**Hudbay**”, and collectively with PPM, the “**Vendors**”), whereby Cirrus would acquire adjacent mineral property interests, located in the State of New Mexico (collectively the “**Lordsburg Property**”) from the Vendors for a combination of cash and Cirrus common shares (the “**Proposed Transaction**”).

5. **Full Description of Material Change**

5.1 Full Description of Material Change

The Proposed Transaction

The Letter Agreement sets out the principal terms and conditions upon which Cirrus will acquire the Lordsburg Property from the Vendors, in consideration for Cirrus common shares, cash and NSR royalties as described below. On the closing of the Proposed Transaction (the “**Closing**”) Cirrus would pay to Hudbay, or its designee, the greater of 9,860,000 (pre-Consolidation) common shares of Cirrus (“**Cirrus Shares**”) and 12% of the pro forma capitalization of Cirrus following the Concurrent Equity Offering (as described below); and to PPM or its designee, the greater of (i) 18,000,000 (pre-Consolidation) Cirrus Shares and (ii) 19.99% of the pro forma capitalization of Cirrus following the Concurrent Equity Offering, plus CAD\$500,000 in cash.

In connection with the completion of the Proposed Transaction, Cirrus will consolidate its outstanding Cirrus Shares (the “**Consolidation**”) on the basis of two (2) pre-Consolidation common shares for each one (1) post-Consolidation common share (the “**Post-Consolidation Shares**”) (subject to corporate and regulatory approval). As at the date hereof, Cirrus has 14,375,000 common shares outstanding. Immediately upon completion of the Consolidation, it is anticipated that Cirrus will have 7,187,500 Post-Consolidation Shares issued and

outstanding (excluding the Cirrus Shares to be issued pursuant to the Concurrent Equity Offering).

Royalties

At Closing, Cirrus will also enter into royalty agreements with the Vendors, under which Cirrus will grant Net Smelter Return Royalties on the Lordsburg Property as follows:

- on the lands purchased from PPM (except for certain excluded claims subject to pre-existing royalties), a 2% NSR will be payable, with PPM to receive a 1.5% NSR and Hudbay 0.5%. Each of these will be subject to a buyback provision whereby half of each royalty (0.75% and 0.25% respectively) can be purchased by Cirrus for \$5,000,000 (\$3,750,000 to PPM and \$1,250,000 to Hudbay);
- on the lands purchased from Hudbay, a 2% NSR will be payable, with Hudbay to receive a 1.5% NSR and PPM 0.5%. Each of these will be subject to a buyback provision whereby half of each royalty (0.75% and 0.25% respectively) can be purchased by Cirrus for \$5,000,000 (\$3,750,000 to Hudbay and \$1,250,000 to PPM); and
- In each case, the buyback right will be exercisable until the earlier of 10 years from Closing or the commencement of commercial production on the Lordsburg Property.

Milestone Payments

In addition to the consideration paid at the Closing as described above, Cirrus will make the following time-dependent payments (the "**Milestone Payments**") to PPM:

- the first Milestone Payment due 12 months from Closing (CAD\$500,000 cash and \$500,000 in Post-Consolidation Shares);
- the second Milestone Payment due 24 months from Closing (CAD\$750,000 cash and \$750,000 in Post-Consolidation Shares); and
- the final Milestone Payment due 36 months from Closing (CAD\$1,250,000 in cash and \$1,250,000 in Post-Consolidation Shares).

Each of the above share issuances is to be calculated using the 20-day volume-weighted average price as at the issuance date, and if any such share issuance, or portion thereof, would result in PPM owning more than 19.99% of the issued and outstanding shares of Cirrus, Cirrus will be required to pay such amount to PPM in cash.

Concurrent Equity Offering

Cirrus intends to complete a best efforts private placement at a price of \$0.50 per Post-Consolidation Share, for gross proceeds of \$10,000,000 (the "**Concurrent Equity Offering**"), in order to finance Cirrus' proposed exploration activities on the Lordsburg Property and for general administrative and working capital

Directors and Officers

At the completion of the Proposed Transaction, the board of directors of the Company is expected to consist of five directors, being Rick Van Nieuwenhuysse as Chairman, Daniel Schieber, James Walchuck, Curt Freeman and Stuart Ross. Management is expected to consist of Daniel Schieber as Chief Executive Officer and Blaine Bailey as Chief Financial Officer.

Until such time that each of the Vendors cease to hold more than 10% of the outstanding Post-Consolidation Shares, or three years following the Closing, whichever is later, PPM and Hudbay will each have the right to nominate one director nominee to the Board.

The Lordsburg Property

The Lordsburg property is located approximately 5 miles south of the town of Lordsburg in southwestern New Mexico. The area has abundant infrastructure including interstate, rail, and multiple power plants located nearby. The Lordsburg property represents multiple high quality, district scale porphyry related copper-gold-silver targets located immediately adjacent to excellent infrastructure on private patented mining claims and Bureau of Land Management (BLM) public lands. Freeport, BHP and Rio Tinto all have adjacent claim blocks. Targets include classic porphyry and skarn hosted copper-gold-silver mineralization and high-grade copper-gold-silver veins.

Historic mining focussed on the high-grade copper-gold-silver veins, most notably with higher copper grades mined from the Bonney and Misers Chest areas with grades ranging from 3-9% Cu (see Figure 1). Historical underground drilling intersected several high-grade zones particularly in the Bonney and Misers Chest areas (Table 1). However, deeper-seated porphyry and skarn targets were never tested except for a small portion of the BB claims where previous owner Entrée Gold drilled eight holes that intersected low grade copper and gold mineralization over significant widths (see Figure 1 and Table 2) indicating that the potential for more disseminated, bulk mineable targets exist. Of note are holes EG-L-09-012 and EG-L-08-02, both of which demonstrate improving grades with depth and yet still relatively shallow for a porphyry system. Furthermore, district scale magnetic surveys along with Aster/Hyperspectral and geologic mapping indicate that multiple deep-seated porphyry and skarn deposits remain completely untested. The Company plans to undertake district scale 3D IP and Magnetotelluric surveys to further identify high quality porphyry, skarn, and vein targets with drilling expected to take place later this year.

The Lordsburg district sits at the intersection of two major regional structural trends – the northwest trending Texas Lineament and the northeast trending Santa Rita Lineament (see Figure 2). Along the Santa Rita lineament there are two major porphyry districts operated by Freeport - the Tyrone Mine approximately 70 kilometers (45 mile) to the northeast and the Santa Rita-Chino Mine Complex ~100 kilometers (62 miles) northeast of Lordsburg and on the other side of the Burrow Uplift. The Santa Rita-Chino complex has mined over a billion tonnes of skarn and porphyry copper related copper ore. Along the northwest Texas Lineament are several groups of historic and active copper mines including: the Chino-Santa Rita-Tyrone cluster; the Morenci-Safford-Sanchez cluster; and the Miami-Superior-Resolution Cluster. Of particular interest is the Resolution project owned jointly by Rio Tinto and BHP. The regional geologic setting (graben structure filled with Mesozoic volcanics and sediments) and relationship of the porphyry center at the Resolution deposit (1.9 billion tonnes grading 1.5% copper¹) to historic high-grade copper veins is very similar to the geologic setting of the Lordsburg district. The Company's objective is to find a high-quality porphyry and skarn system similar to the Santa Rita-Chino or Resolution systems. Management believes that it is in the right geologic setting and neighborhood.

Figure 1. Lordsburg location map in southwestern New Mexico

¹ See Rio Tinto Annual Report on Production, Reserves and Operations dated 2020 and <https://www.resolutioncopper.com/about-us.html>

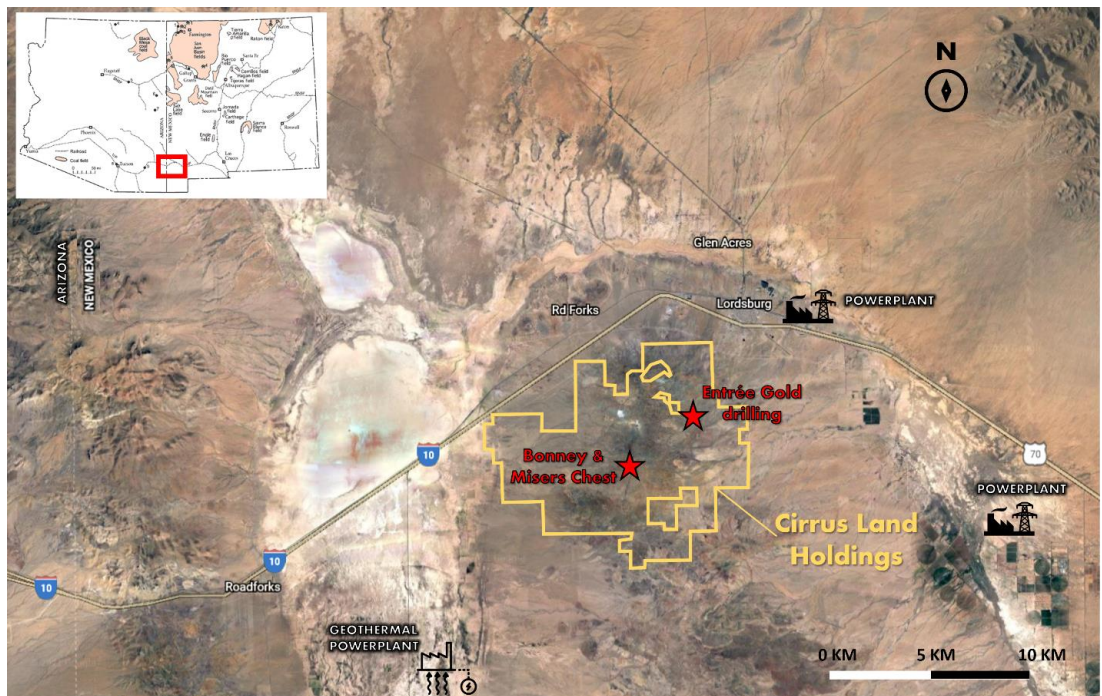


Table 1. Historical drilling on the Lordsburg property

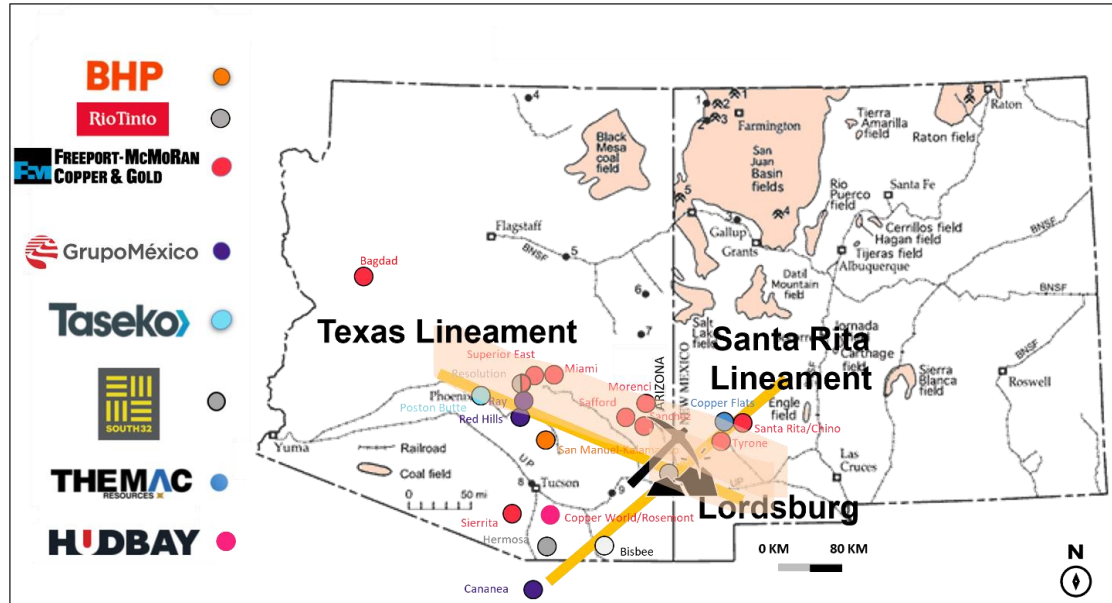
Hole	From (m)	To (m)	Length (m)	Cu%	Ag (ppm)	Au (ppm)	Pb%	Zn%
WO-1	29.75	31.85	2.10	9.20	92.89	0.72	n/a	n/a
WO-2	41.36	43.22	1.71	6.19	42.96	0.18	n/a	n/a
B-DDH70	48.77	50.60	1.83	4.52	8.03	0.05	n/a	n/a
B-DDH-74	19.32	22.65	3.32	5.22	28.91	0.42	n/a	n/a
85-42	51.82	54.86	3.05	15.00	7.89	1.03	0.24	0.13
DDH-320	105.00	107.59	2.59	6.29	40.97	0.17	0.00	0.00
SFP L-35	32.00	33.53	1.52	5.50	350.00	0.02	0.40	1.20
DDH-338	202.08	203.91	1.83	4.38	16.29	0.51	0.00	0.00
SFP L-21	33.53	36.58	3.05	4.20	19.00	1.00	0.12	0.18
L-2	167.70	168.55	0.85	3.33	0.14	17.14	0.05	0.11
SFP L-35	33.53	35.05	1.52	3.20	100.00	0.02	0.23	0.64
DDH-320	116.13	116.28	0.15	3.18	37.71	0.17	0.00	0.00

Table 2. Entrée Gold drill results (2008-2009), Lordsburg Project

Hole No.	Interval (m)	Length (m)	Cu %	Au (g/t)	CuEq* (%)
EG-L-08-002	156.0 - 466.0	310.0	0.14	0.08	0.19
Including	182.0 - 211.3	29.3	0.21	0.12	0.28
Including	240.0 - 254.0	14.0	0.33	0.26	0.49
EG-L-08-005	0.0 - 134.0	134.0	0.13	0.12	0.20
EG-L-08-006	11.2 - 130.0	118.8	0.20	0.20	0.32
EG-L-08-007	6.0 - 152.0	146.0	0.13	0.16	0.23
EG-L-08-008	280.0 - 332.0	52.0	0.18	0.05	0.21
EG-L-09-010A	34.0 - 84.0	50.0	0.18	0.21	0.31
And	216.0 - 256.0	40.0	0.15	0.13	0.23
EG-L-09-011	28.0 - 66.0	38.0	0.15	0.20	0.27
EG-L-08-012	96.0 - 252.0	156.0	0.19	0.12	0.26
Including	118.0 - 212.0	94.0	0.25	0.15	0.34
Including	152.0 - 212.0	60.0	0.31	0.21	0.44

* Copper Equivalent (CuEq) has been calculated using assumed metal prices (US\$3.00/pound for copper and US\$1,250/ounce for gold) and no metallurgical factor.

Figure 2. Lordsburg Location map in southwestern New Mexico showing Texas Lineament and Santa Rita Lineament and large porphyry copper districts along regional trends



5.2 Disclosure for Restructuring Transactions

Not Applicable

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

Not Applicable

7. Omitted Information

Not Applicable

8. Executive Officer

The name and contact of the executive officer of the Corporation who is knowledgeable about the material change and this report is:

James Walchuck
Chief Executive Officer, President and Director
Phone: (778) 372-9888
Email: invest@cirruscopper.com

9. Date of Report

January 24, 2022