

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

TARGA EXPLORATION CORP.
Suite 1723, 595 Burrard Street
Vancouver, BC V7X 1L4

Item 2. Date of Material Change

December 22, 2023

Item 3. News Release

The news release was issued on December 22, 2023 and was disseminated by Cision and filed on SEDAR.

Item 4. Summary of Material Change

The Company announces that it has closed its previously announced non-brokered private placement for gross proceeds of \$2,448,690.15.

The Company also announced the signing of a definitive asset purchase agreement with 1384025 B.C. Ltd. and a party of vendors for the purchase of a 100% interest in five lithium projects covering 137,000ha in Quebec and Ontario, previously announced on October 4, 2023. The Acquisition is expected to close on or about January 10, 2024.

Item 5. Full Description of Material Change

The Company announces that it has closed its previously announced non-brokered private placement (the "Offering") for gross proceeds of \$2,448,690.15.

In connection with the completion of the Offering, the Company issued 5,445,334 hard dollar units of the Company (each, an "**HD Unit**") at a price of \$0.15 per HD Unit, 4,234,647 flow-through units of the Company (each, an "**FT Unit**") at a price of \$0.17 per FT Unit and 5,066,667 Quebec super-flow-through units of the Company (each, a "**Super FT Unit**" and together with the HD Units and the FT Unit, the "**Units**") at a price of \$0.18 per Super FT Unit.

Each Unit consists of one common share of the Company (each, a "**Share**") and one-half of a common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one additional common share of the Company (each, a "**Warrant Share**") at a price of \$0.30 per Warrant Share until December 22, 2025, subject to an acceleration clause. If the 10-day volume-weighted average trading price of the Shares as quoted on the Canadian Securities Exchange is equal to or greater than \$0.40 at the close of any trading day, then the Company may, at its option, accelerate the expiry date of the Warrants by issuing a press release (a "**Warrant Acceleration Press Release**") announcing that the expiry date of the Warrants shall be deemed to be on the 30th day following the issuance of the Warrant Acceleration Press Release (the "**Accelerated Expiry Date**"). All Warrants that remain unexercised following the Accelerated Expiry Date shall immediately expire and all rights of holders of such Warrants shall be terminated without any compensation to such holder.

Each FT Unit and Super FT Unit was issued as a "flow-through share" as defined in subsection 66(15) of the *Income Tax Act* (Canada). Each Super FT Unit was also issued as a "flow-through share" as defined in section 359.1 of the Quebec Tax Act with respect to purchasers in Quebec. The securities issued pursuant to the Offering will be restricted from trading until April 23, 2024.

A total of \$109,623 was paid in cash and a total of 638,020 finder's warrants were issued for finder's fees. The finder's warrants will expire on December 22, 2025 and have an exercise price of \$0.30.

The net proceeds of the Offering will be used for exploration of the Company's lithium projects and for working capital purposes. The gross proceeds from the issuance of the FT Units and Super FT Units will be used to incur eligible "Canadian exploration expenses" that qualify as flow-through critical mineral mining expenditures. The Company has agreed to renounce such qualifying expenditures with an effective date of no later than December 31, 2023, in an aggregate amount of not less than the total amount of the gross proceeds raised from the issuance of FT Units and Super FT Units.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation to buy any securities in any jurisdiction.

Definitive Agreement

The Company would also like to announce the signing of a definitive asset purchase agreement (the "**Definitive Agreement**") with 1384025 B.C. Ltd. ("**Northern Lithium**") and a party of vendors (the "**Vendors**") for the purchase of a 100% interest in five lithium projects covering 137,000ha in Quebec and Ontario (the "**Properties**"), previously announced on October 4, 2023 (the "**Acquisition**"). The Acquisition is expected to close on or about January 10, 2024 (the "**Closing Date**").

Pursuant to the Definitive Agreement, Targa has agreed to issue a total of 7,500,001 common share of the Company (the "**Consideration Shares**") to the Vendors, grant a 1% production royalty on the Properties in favour of Northern Lithium and make aggregate cash payments of C\$755,721.72 to the Vendors as follows:

- \$100,000 to be paid on October 6, 2023 (paid);
- \$277,860.86 within 48 hours of completion of the Offering; and
- \$377,860.86 to be paid on June 15, 2024.

The Consideration Shares shall be subject to the following resale restrictions:

- 1/3 of the Consideration Shares will become free trading four months and a day after the Closing Date.
- 1/3 of the Consideration Shares will become free trading eight months after the Closing Date.
- 1/3 of the Consideration Shares will become free trading twelve months after the Closing Date.

Please refer to the Company's news release dated October 4, 2023 for additional details regarding the Properties.

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

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

Cameron Tymstra
Chief Executive Officer
cameron@targaexploration.com
416-668-1495

Item 9. Date of Report

December 22, 2023