

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1: Name and Address of Company

ISM Resources Corp. (“**ISM**” or the “**Company**”)
Suite 306, 1106 Hamilton Street
Vancouver, BC V6B 2S2

Item 2: Date of Material Change

May 29, 2023

Item 3: News Release

A news release dated May 29, 2023 was disseminated via Stockwatch and subsequently filed on SEDAR.

Item 4: Summary of Material Change

The Company entered into a definitive agreement (the “**Agreement**”) with various sellers (the “**Sellers**”) pursuant to which, and subject to customary conditions to closing, it proposes to acquire, through its wholly-owned subsidiary, Discovery Lithium Inc., a 100% undivided legal and beneficial interest in and to each of those certain Serindac Lake Claims (comprising 1,675 mineral claims) and Vaubert Lake Claims (comprising 2,113 mineral claims) located in the under-explored Nunavik region of Northern Quebec.

Item 5 Full Description of Material Change

The Company entered into the Agreement with the sellers pursuant to which, and subject to customary conditions to closing, it proposes to acquire, through its wholly-owned subsidiary, Discovery Lithium Inc., a 100% undivided legal and beneficial interest in and to each of those certain Serindac Lake Claims (comprising 1,675 mineral claims) and Vaubert Lake Claims (comprising 2,113 mineral claims) located in the under-explored Nunavik region of Northern Quebec (the “**Claims**” and, collectively, the “**Acquisition**”).

Acquisition land package

The proposed Acquisition provides ISM with a substantial land package that holds great potential for spodumene-bearing lithium pegmatites. The Company plans to initiate an extensive exploration program in the near future, focusing on high-priority targets to be drilled in the coming months.

Michael Gheyle, ISM’s CEO, expressed his enthusiasm, stating, “We are excited to be at the forefront of Quebec’s emerging lithium frontier, a region boasting a deep-sea port and two operational nickel mines, including the Province’s largest at Raglan. Abundant outcrop exposure will expedite our exploration efforts. While this region has long been recognized for its nickel and gold potential, lithium has only recently come into focus. The addition of these two Claim blocks further solidifies our presence in North America.”.

The proposed Acquisition encompasses the acquisition of strategically located Claim blocks in two areas of Nunavik that have not previously been recognized for their high-grade lithium mineralization potential. Nunavik, which covers more than one-third of Quebec’s land area, underscores the vast scale of opportunity in this geologically rich province.

Acquisition Agreement

In accordance with the terms and conditions of the Agreement, ISM is purchasing the above-mentioned Claims from a group of Sellers in consideration of: (i) a cash payment of \$990,000 (the “**Cash Consideration**”) to one of the Sellers; (ii) the issuance to the Sellers of an aggregate of 7,500,000 common shares of the Company (each, a

“**Consideration Share**”), at a deemed issuance price of \$0.15 per Consideration Share; representing the discounted market price from the closing price of the Company’s common shares on the Canadian Securities Exchange (the “**CSE**”) today; and (iii) the granting of a 1% net smelter return royalty to one of the Sellers.

Subject to the prior approval of the CSE and including, without limitation, the potential imposition of additional escrowed terms, the Consideration Shares will be subject to a voluntary pooling arrangement whereby one-third of the Consideration Shares will be released from escrow every six months after the closing of the Acquisition (the “**Closing**”). In addition, at Closing the Company will pay to the Sellers 50% of the Cash Consideration with the balance being due and payable upon the earlier of six months from Closing and the completion by ISM of financings of at least \$2,000,000. The Acquisition is also subject to customary closing conditions as detailed therein and which include, without limitation, the completion at Closing of a Concurrent Financing (as detailed below).

Concurrent Acquisition Financing

In connection with and as a condition of Closing of the Acquisition, the Company intends to complete a concurrent non-brokered private placement of units (each, a “**Unit**”) for aggregate proceeds of not less than \$1,000,000, at a price per Unit to be determined by the Company in its sole and absolute discretion, from time to time, in the context of the market price of ISM prior to Closing; with such Unit price to be equal to not less than the lowest discounted price of the Company’s common shares allowable under the policies of the CSE at the time of placement; and with each such Unit being comprised of up to one common share and one share purchase warrant (each, a “**Warrant**”) of ISM, and with each Warrant being exercisable for an additional common share of ISM at the market price of ISM’s common shares at the time of placement and exercisable for a period of up to two years from the date of issuance in each instance (the Concurrent Financing).

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

N/A

Item 7: Omitted Information

N/A

Item 8: Executive Officer

Glenn Collick, President, Interim CFO and a Director
778.868.2226
info@ismresources.com

Item 9: Date of Report

May 31, 2023