

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Reporting Issuer

Formation Metals Inc. (the “**Company**” or “**Formation Metals**”)
400 – 1681 Chestnut Street
Vancouver, BC V6J 4M6

Item 2: Date of Material Change

November 3, 2023.

Item 3: News Release

A news release was issued and disseminated on November 7, 2023, and filed on SEDAR+ (www.sedarplus.ca).

Item 4: Summary of Material Changes

The Company announced that on November 3, 2023, it closed its non-brokered private placement (the “**Private Placement**”) and debt settlement (the “**Debt Settlement**”). See Item 5 for full details.

Item 5: Full Description of Material Change

The Company announced that on November 3, 2023 it has closed its Private Placement raising gross proceeds of \$850,000 through the issuance of 17,000,000 units (each a “**Unit**”) at \$0.05 per Unit. Each Unit consists of one common share (each a “**Share**”) of the Company and one transferable common share purchase warrant (each a “**Warrant**”) exercisable at \$0.20 per Share for a period of two (2) years (the “**Expiry Date**”) from the closing date (the “**Closing Date**”) of the Private Placement.

The Company anticipates using the proceeds from the Private Placement for its Nicobat project in Northwest Ontario and for general working capital.

The Company plans to apply to list its Shares on the Canadian Securities Exchange (the “**CSE**”). Listing will be subject to fulfilling all the requirements of the CSE. There can be no guarantee that the Shares will ever be listed on any stock exchange.

Formation Metals also announces that it has issued 2,000,000 Units at a deemed price of \$0.05 per Units, to settle \$100,000 in debt with one creditor of the Company. Each Unit consists of one Share and one Warrant, exercisable at \$0.20 per Share until the Expiry Date.

No finder’s fees were paid in connection with the Private Placement or the Debt Settlement.

The Shares issued pursuant to the Private Placement are subject to a hold period of four months and one day from the Closing Date, as well as voluntary restrictions from which 25% of the Shares issued to non-insiders shall vest quarterly over the period of one year from the date the Shares are listed on the CSE.

The Warrants issued pursuant to the Private Placement and the Debt Settlement, and the Shares issued pursuant to the Debt Settlement are subject to a hold period of four months and one day from the Closing Date.

Deepak Varshney, President, CEO, Secretary and a director of Formation Metals, subscribed for 500,000 Units through a company he controls and David Ellett, a director of Formation Metals, subscribed for 200,000 Units. As a result, the issuance of 700,000 Units pursuant to the Private Placement to these two insiders is a related party transaction (as defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company relied upon section 5.5(b) the “Issuer Not Listed on Specified Markets” and 5.7(a) the “Fair Market Value Not More than \$2,500,000” and exemptions from the formal valuation and minority shareholder approval requirements, respectively, under MI 61-101. The 700,000 Shares issued to the two insiders are expected to be subject to escrow pursuant to the Policies of the CSE.

Item 6: Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

None.

Item 8: Executive Officer

Deepak Varshney, CEO and Director.

For more information, please phone 778-899-1780.

Item 9: Date of Report

November 7, 2023.