

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Sylla Gold Corp. (the “**Company**”)
802-1550 Bedford Highway
Bedford, Nova Scotia B4A 1E6

2. Date of Material Change

September 15, 2021

3. News Release

A press release disclosing the material change was released on September 17, 2021, through the facilities of Newsfile Corp.

4. Summary of Material Change

The Company announced that it had entered into a definitive option agreement (the “**Option Agreement**”) with Niaouleni Gold Inc. (“**Niaouleni Gold**”) and Niaouleni Gold Mali SARL (“**Niaouleni SARL**”), a wholly-owned subsidiary of Niaouleni Gold, pursuant to which the Company has been granted an option (the “**Option**”) to acquire an indirect 100% interest in one gold exploration permit (the “**Niaouleni Permit**”) located in the Republic of Mali.

The Niaouleni project is 9,400 hectares in size and accessible by paved highway and includes extensive artisanal mining activity within the interpreted extensions of gold bearing structures. Past exploration at Niaouleni includes extensive reverse circulation (RC) and diamond drilling, which have identified several structural gold-bearing zones that appear to extend from the adjacent Kobada gold deposit. Historical exploration and drilling results are currently being compiled into a digital database and will be interpreted for the purposes of designing a drilling program to further test these structural gold-bearing zones and possibly extend them further.

5. Full Description of Material Change

The Company entered into the Option Agreement with Niaouleni Gold and Niaouleni SARL, a wholly-owned subsidiary of Niaouleni Gold, pursuant to which the Company has been granted the Option to acquire an indirect 100% interest in the “Niaouleni Permit located in the Republic of Mali (the “**Transaction**”).

In order to exercise the Option, the Company is required to make the following payments: (i) \$50,000 upon receipt of approval of the TSX Venture Exchange (the “**TSXV**”) for the Transaction (the “**Effective Date**”), \$50,000 on the first anniversary of the Effective Date, \$100,000 on the second anniversary of the Effective Date, and \$500,000 on the third anniversary of the Effective Date; (ii) issue 1,000,000 common shares in the capital of the Company (each, a “**Common Share**”) on the Effective Date, issue 1,000,000 Common Shares on the first anniversary of the Effective Date, issue 2,000,000 Common Shares on the second anniversary of the Effective Date, and issue 5,000,000 Common Shares on the third anniversary of the Effective Date; and (iii) incur \$1,380,000 in expenditures in respect of the Niaouleni Permit over a three-year period.

In the event that the Option is exercised, the Company will grant a 3% net smelter returns royalty (“NSR”) in favour of Niaouléni Gold, subject to the ability of the Company to purchase up to 2% of the NSR (resulting in the remaining NSR being at least 1%) for a purchase price of up to \$2,000,000.

All of the Common Shares issued in connection with the Option Agreement are subject to a four-month statutory hold period from the date of issue in accordance with applicable securities legislation. The Transaction remains subject to approval of all regulatory and other approvals, including the approval of the TSXV.

It is intended that the Transaction will result in the reactivation of the Company pursuant to the regulations of the TSXV, and the graduation of the Company from the NEX to a full listing of the Company upon TSXV approval of the Transaction.

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:

Pursuant to the terms of the Option Agreement, the Company has been granted the Option to acquire an indirect 100% interest in the Niaouléni Permit.

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

The exercise of the Option will enhance shareholder value. Management intends that the Transaction will result in the reactivation of the Company pursuant to the regulations of the TSXV, and the graduation of the Company from the NEX to a full listing of the Company, upon the approval of the TSXV.

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

Please see item 4 above for a description of the Transaction.

(d) a description of:

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

Gregory Isenor, an insider, director and officer of the Company is also a director, officer and shareholder of Niaouléni Gold.

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

Mr. Isenor beneficially owns or controls 2,047,100 Common Shares of the Company, representing approximately 12.12% of the Company’s issued and outstanding Common Shares on a non-diluted basis. Assuming exercise of the Option in full, Mr. Isenor will acquire control or direction over 50% of the Common Shares issued to Niaouléni Gold pursuant to the Transaction, being 4,500,000 Common Shares of the Company. In the event the Option is exercised

in full, Mr. Isenor will own or control an aggregate of 6,547,100 Common Shares, representing approximately 25.29% of the then issued and outstanding Common Shares on a non-diluted basis, which will result in Gregory Isenor becoming a control person of the Company. There is no guarantee the Company will exercise the Option.

- (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 written resolution of the board of directors was executed by all of the directors of the Company, with Mr. Isenor's signature being necessary to ensure compliance with Section 117(1) of the *Canada Business Corporations Act* (the "Act"), and not a vote in favour of the resolution in accordance with Section 120(5) of the Act. No materially contrary vote was expressed by any of the independent directors who executed the resolution.

- (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:**

The Company has not received any valuations with respect to the Niaouleni Permit and is relying on the exemption from the valuation requirement set out in Section 5.5(b) of MI 61-101, due to the fact that that the Company is not listed on one of the specified markets set out in Section 5.5(b) of MI 61-101.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, 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 before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or 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:**

The Company entered into the Option agreement. Please see item 4 for a description of the Option Agreement and its material terms.

- (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 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

Pursuant to MI 61-101, the Transaction is subject to the minority shareholder approval and the formal valuation requirements of MI 61-101. The Company has not received any valuations with respect to the indebtedness and is relying on the exemption from the valuation requirement set out in Section 5.5(b) of MI 61-101, due to the fact that that the Company is not listed on one of the specified markets set out in Section 5.5(b) of MI 61-101. The Company will be seeking the approval of the disinterested shareholders at the upcoming annual and special meeting of shareholders to be held on November 12, 2021. Pursuant to the minority shareholder approval requirements of MI 61-101, the votes attached to Common Shares held by Mr. Isenor or his associates will be excluded from voting on the Transaction. Based on information provided to the Company, votes attaching to an aggregate of 2,047,100 Common Shares, representing approximately 12.12% of the issued and outstanding Common Shares, will be excluded from voting on the Transaction. Pursuant to MI 61-101, the resolution approving the Transaction must be approved by a simple majority of affirmative votes cast by the shareholders, other than votes attaching to Common Shares held by Mr. Isenor and his associates. The Option Agreement was approved by the board of directors of the Company, with Mr. Isenor abstaining from voting on the Transaction. No materially contrary vote was expressed by any of the independent directors of the Company.

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

The report is not being filed on a confidential basis.

7. Omitted Information

No significant facts have been omitted from this Material Change Report.

8. Executive Officer

For further information, contact Regan Isenor, President and Chief Executive Officer of the Company at (902) 233-4381.

9. Date of Report

This report is dated at Bedford, Nova Scotia, this 27th day of September, 2021.