

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Medallion Resources Ltd. (the “**Company**” or “**Medallion**”)
1160 – 595 Howe Street
Vancouver, British Columbia V6C 2T5

Item 2: Date of Material Change

August 23, 2019.

Item 3: News Release

The news release was disseminated on August 23, 2019 through GlobeNewswire and filed on SEDAR.

Item 4: Summary of Material Change

The Company announced that it has closed the first tranche of a private placement financing for aggregate gross proceeds of \$564,120 (the “**Private Placement**”), which was initially announced in the Company’s news release dated August 2, 2019.

Item 5: Full Description of Material Change

The Company announced that it has closed the first tranche of the Private Placement first announced in the Company’s news release dated August 2, 2019. The Company issued an aggregate of 5,372,572 units (the “**Units**”) at a price of \$0.105 per Unit for gross proceeds of \$564,120. Each Unit is composed of one common share of the Company (a “**Common Share**”) and one-half of one transferable Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.165 until August 23, 2022.

The Company intends to use the net proceeds of the Private Placement to implement trade-off and process engineering design studies, pilot plant planning, customer and feedstock supply development, and general working capital.

The completion of further tranches of the Private Placement are subject to the acceptance of the TSX Venture Exchange. The securities issued pursuant to the Private Placement are subject to hold periods under applicable Canadian securities laws, expiring four months and one day after issuance.

In connection with this tranche of the Private Placement, the Company paid aggregate finders’ fees to qualified finders of \$17,292, representing 8% of the gross proceeds in respect of certain subscriptions. The Company also issued 164,686 non-transferable finders’ warrants (each, a “**Finders’ Warrant**”) to qualified finders. Each Finders’ Warrant is exercisable to acquire one Common Share at an exercise price of \$0.165 until August 23, 2022.

The securities offered have not been nor will they be registered under the United States Securities Act of 1933, as amended, or state securities laws, and may not be offered or sold in the United States or to an account for the benefit of US persons, absent such registration or an exemption from registration. This material change report shall not constitute an offer to sell or the solicitation of an offer to buy the securities in the United States or in any jurisdiction in which such offer, sale, or solicitation would be unlawful.

To facilitate the Private Placement, Mr. Donald Lay, the President, Chief Executive Officer and a director of the Company, participated in the Private Placement and purchased 2,550,000 Units for gross proceeds to the Company of \$267,750 and Mr. Lay subsequently sold 2,550,000 Common Shares through the facilities of the TSX Venture

Exchange to arm's length buyers. There has not been a material change in the percentage of the outstanding securities of the Company that are owned by Mr. Lay. The participation of Mr. Lay in the Private Placement constitutes a related party transactions pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). The Company is exempt from the requirements to obtain formal valuations or minority shareholder approval in connection with the participation of Mr. Lay in the Private Placement pursuant to the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101. The Private Placement was unanimously approved by the disinterested members of the board of directors of the Company.

Forward-Looking Statements

Some of the statements contained in this material change report are forward-looking statements, such as statements that describe Medallion's plans with respect to the completion of additional tranche(s) of the Private Placement and the intended use of the proceeds of the Private Placement. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties, including the risks related to market conditions and regulatory approval and other risks outlined in the Company's management discussions and analysis of financial results. Actual results in each case could differ materially from those currently anticipated in these statements. Also, in order to proceed with Medallion's plans, additional funding will be necessary and, depending on market conditions, this funding may not be forthcoming on a schedule or on terms that facilitate Medallion's plans. These forward looking statements are made as of the date of this material change report, and, other than as required by applicable securities laws, Medallion disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise.

Item 6: Reliance on subsection 7.2 of National Instrument 51-102

N/A.

Item 7: Omitted Information

N/A.

Item 8: Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Donald Lay
President and CEO
604.681.9558

Item 9: Date of Report

September 3, 2019