

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 25, 2020.

Item 3: News Release

The news release was disseminated on August 26, 2020 through Globe Newswire and filed on SEDAR.

Item 4: Summary of Material Change

The Company announced that it has closed its \$1,600,000 non-brokered private placement, with lead investments by Talaxis Limited (“Talaxis”) and Amvest Capital Inc (“Amvest”), to fund development of the Company’s new North American-focused rare-earth element (“REE”) supply chain consortium (see press release dated July 10, 2020).

Item 5: Full Description of Material Change

The Company announced that it has closed its \$1,600,000 non-brokered private placement, with lead investments by Talaxis and Amvest, to fund development of the Company’s new REE supply chain consortium (see press release dated July 10, 2020).

The Company issued 10,666,667 units (each a “Unit”) in the private placement (the “Placement”), at a purchase price of \$0.15 per Unit for gross proceeds of \$1,600,000. Each Unit consists of one common share in the capital of the Company (a “Common Share”) and one-half of a transferable Common Share purchase warrant, exercisable to acquire one additional Common Share at an exercise price of \$0.20 until August 25 2023. Medallion has paid finders’ fees with respect to the Placement to Leede Jones Gable Inc., Mann Mann Jensen Partners LP and PI Financial Corp. in the aggregate amount of \$65,620, and 437,467 finders’ options, each finders’ option exercisable to acquire one Common Share at an exercise price of \$0.25 until August 25 2022.

The completion of the Placement is subject to final acceptance of the TSX-V. All securities issued in connection with the Placement are subject to a four-month hold period until December 26, 2020. The securities issued in connection with the Placement 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.

Robert Doyle, the Chief Financial Officer and Corporate Secretary of the Company, participated in the Placement by purchasing 25,030 Units for gross proceeds to the Company of \$3,754.50. There has not been a material change in the percentage of the outstanding securities of the Company that are owned by Mr. Doyle. The participation of Mr. Doyle in the Placement constitutes a related party transaction 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 valuation and minority shareholder approval in connection with the participation of Mr. Doyle in the Placement pursuant to the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively. The Placement was unanimously approved by the board of directors of the Company.

Forward-Looking Statements

Medallion's management takes full responsibility for content and has prepared this material change report. 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 the Placement and the final TSX-V approval. 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. Factors that could cause actual results to differ materially from those in forward-looking statements include that the Company does not receive final TSX-V approval. 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:

Mark Saxon
President and CEO
604.681.9558

Item 9: Date of Report

August 31, 2020