

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Xplore Resources Corp. (formerly VON Capital Corp. (“**VON**”)) (the “**Company**”)
4400 – 181 Bay Street
Toronto, Ontario
M5J 2T3

Item 2 Date of Material Change

October 6, 2020

Item 3 News Release

A news release was disseminated on October 7, 2020 through CNW Group Ltd. and subsequently filed on SEDAR. A copy of the news release is attached hereto as Schedule “A”.

Item 4 Summary of Material Change

The Company announced that it completed its previously announced qualifying transaction (the “**Qualifying Transaction**”) on October 6, 2020 pursuant to the policies of the TSX Venture Exchange (the “**TSXV**”) and that the common shares of the Company (the “**Resulting Issuer Shares**”) commenced trading on the TSXV on October 8, 2020 under the symbol “XPLR”.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Qualifying Transaction was effected by way of a three-cornered amalgamation, pursuant to which:

- (a) and pursuant to the terms of an amalgamation agreement dated February 13, 2020 among VON, 2717915 Ontario Inc. (“**VON Sub**”), a private Ontario company and a wholly owned subsidiary of VON, and Xplore Resources Holdings Corp. (“**Xplore Private Co**”), a private Ontario corporation: (i) VON Sub and Xplore Private Co amalgamated; (ii) the amalgamated entity became a wholly owned subsidiary of VON; and (iii) the holders of the issued and outstanding common shares (the “**Xplore Common Shares**”) of Xplore Private Co were exchanged for an aggregate of 18,100,000 Resulting Issuer Shares. In addition, 8,580,000 Resulting Issuer Shares were issued to the subscribers under the Xplore Private Placement (as defined herein), which were exchanged for Resulting Issuer Shares on a one for one basis;
- (b) VON changed its name to “Xplore Resources Corp.”; and

- (c) management and the board of directors of the Company changed such that the board of directors and executive team of the Company now consists of: Wesley Hanson, Chief Executive Officer and Director; Charles Edgeworth, Chief Financial Officer and Director; Robert Brain, Corporate Secretary and Director; Tim McGuire, Director; Jamie Hyland, Director; and David Patterson, Director.

As a result of the completion of the Qualifying Transaction, the Company has issued and outstanding, a total of: (i) 31,680,000 Resulting Issuer Shares; (ii) 500,000 stock options exercisable to purchase Resulting Issuer Shares; and (iii) 8,580,000 Resulting Issuer Warrants (as defined herein) exercisable to purchase Resulting Issuer Shares.

Certain of the Resulting Issuer Shares are subject to escrow restrictions including: (i) 2,000,000 Resulting Issuer Shares subject to release under the CPC Escrow Agreement, with a first release of 10% as of October 7, 2020; and (ii) 11,100,000 Resulting Issuer Shares subject to a 36-month staged release under the QT Escrow Agreement, with a first release of 5% as of October 7, 2020.

Concurrent Financing

On September 28, 2020 and September 29, 2020, in connection with the Qualifying Transaction, Xplore Private Co completed a non-brokered private placement, raising gross proceeds in the amount of \$858,000 (the “**Xplore Private Placement**”) through the issuance of 8,580,000 units of Xplore Private Co (each a “**Unit**”) at a price of \$0.10 per Unit. Each Unit was comprised of one Xplore Common Share and one Xplore Common Share purchase warrant (upon completion of the Qualifying Transaction, each such warrant exercisable for one Resulting Issuer Share and referred to herein as a “**Resulting Issuer Warrant**”) exercisable at a price of \$0.15 per Resulting Issuer Share for a period of two years from the date of issue. The expiry date of the Resulting Issuer Warrants may be accelerated at the option of the Company if at any time prior to expiration the closing price of the Resulting Issuer Shares on the TSXV exceeds \$0.30 for ten consecutive trading days.

Please refer to Schedule “A” for additional details.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

Charles Edgeworth
Chief Financial Officer and Director
Tel: 647-362-9675
Email: cedgeworth@xploreresources.com

Item 9 Date of Report

October 9, 2020



Xplore Resources Corp. Announces Completion of Qualifying Transaction and Commencement of Trading

THIS NEWS RELEASE IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES

TORONTO, Ontario, October 7, 2020 – Xplore Resources Corp. (the “**Company**” or “**Xplore**”), formerly VON Capital Corp. (“**VON**”), is pleased to announce that effective October 6, 2020, it completed its previously announced qualifying transaction (the “**Qualifying Transaction**”) pursuant to the policies of the TSX Venture Exchange (the “**TSXV**”). The parties received final approval of the Qualifying Transaction from the TSXV on October 6, 2020 and have previously filed a filing statement prepared in accordance with the requirements of the TSXV (the “**Filing Statement**”), which is available at www.sedar.com.

Trading of the common shares of the Company (the “**Resulting Issuer Shares**”) will commence trading on the TSXV under the symbol “XPLR” on October, 8, 2020.

Wes Hanson, P. Geo., CEO of Xplore stated: “This is an important day and milestone for Xplore and all of its shareholders. We are all extremely excited about the completion of the Qualifying Transaction with VON and the opportunity for us to begin exploring our Valk Project as a public company. The Valk Project, located in British Columbia, occurs on strike from the historic Island Copper mine and surface soil and rock sampling has identified anomalous copper grades along a 1000 meter wide, northwest trending corridor that has been traced over a 3.0 kilometer strike length. This district of British Columbia has seen renewed staking and exploration activity of late and our first task will be to evaluate various exploration strategies to evaluate the potential of Valk.. I am confident that our management team is well suited to the challenges that lie ahead and look forward to what the future holds”

Pursuant to the Qualifying Transaction:

- (a) and pursuant to the terms of an amalgamation agreement dated February 13, 2020 among VON, 2717915 Ontario Inc. (“**VON Sub**”, a private Ontario company and a wholly owned subsidiary of VON), and Xplore Resources Holdings Corp. (“**Xplore Private Co**”), a private Ontario corporation, (i) VON Sub and Xplore Private Co amalgamated, (ii) the amalgamated entity became a wholly owned subsidiary of VON, and (iii) the holders of the issued and outstanding common shares (the “**Xplore Common Shares**”) of Xplore Private Co were exchanged for an aggregate of 18,100,000 Resulting Issuer Shares. In addition, 8,580,000 Resulting Issuer Shares were issued to the subscribers under the Xplore Private Placement (as defined herein), which were exchanged for Resulting Issuer Shares on a one for one basis;
- (b) VON changed its name to “Xplore Resources Corp.”; and

- (c) management and the board of directors of the Company changed such that the board of directors and executive team of the Company now consists of: Wesley Hanson, Chief Executive Officer and Director; Charles Edgeworth, Chief Financial Officer and Director; Robert Brain, Corporate Secretary and Director; Tim McGuire, Director; Jamie Hyland, Director; and David Patterson, Director.

As of the date hereof, the Company has issued and outstanding, a total of: (i) 31,680,000 Resulting Issuer Shares; (ii) 500,000 stock options exercisable to purchase Resulting Issuer Shares; and (iii) 8,580,000 Resulting Issuer Warrants (as defined herein) exercisable to purchase Resulting Issuer Shares.

Certain of the Resulting Issuer Shares are subject to escrow restrictions including: (i) 2,000,000 Resulting Issuer Shares subject to release under the CPC Escrow Agreement, with a first release of 10% as of today's date; and (ii) 11,100,000 Resulting Issuer Shares subject to a 36-month staged release under the QT Escrow Agreement, with a first release as of 5% today's date.

Concurrent Financing

On September 28, 2020 and September 29, 2020, in connection with the Qualifying Transaction, Xplore Private Co completed a non-brokered private placement, raising gross proceeds in the amount of \$858,000 (the "**Xplore Private Placement**") through the issuance of 8,580,000 units of the Company (each a "**Unit**") at a price of \$0.10 per Unit. Each Unit was comprised of one Xplore Common Share and one Xplore Common Share purchase warrant (post-Amalgamation, each such warrant exercisable for one Resulting Issuer Share and referred to herein as a "**Resulting Issuer Warrant**") exercisable at a price of \$0.15 per Resulting Issuer Share for a period of two years from the date of issue. The expiry date of the Resulting Issuer Warrants may be accelerated at the option of the Resulting Issuer if at any time prior to expiration the closing price of the Resulting Issuer Shares on the TSXV exceeds \$0.30 for ten consecutive trading days.

About Xplore Resources Corp.

Xplore is a resource exploration company incorporated in British Columbia engaged in the business of exploring copper and gold properties in established, low risk jurisdictions. The Company has assembled an experienced management team with a strategy to increase shareholder value through focused, cost effective exploration programs.

Further Information

For further information regarding the Qualifying Transaction, the Resulting Issuer, the Valk Property, and the Company's new management, please refer to the Company's Filing Statement dated July 28, 2020 as filed on SEDAR on July 30, 2020.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

On behalf of the Board of Directors of Xplore Resources Corp. (formerly, VON Capital Corp.)

“Wes Hanson”

Wesley Hanson

Chief Executive Officer and Director

For further inquiries, please contact:

Xplore Resources Corp.

Phone: +1.604.442.2425

Email: info@xploreresources.com

Forward Looking Statements:

Certain statements contained in this news release, such as the anticipated trading day of the Resulting Issuer Shares on the TSXV, the strategy of the Company, constitute “forward-looking information” as such term is used in applicable Canadian securities laws. Forward-looking information is based on plans, expectations and estimates of management at the date the information is provided and is subject to certain factors and assumptions, including that the Company’s financial condition and development plans do not change as a result of unforeseen events. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this news release to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, that occurrences such as those referred to above are realized and result in delays, or cessation in planned work, that the Company’s financial condition and development plans change, and delays in regulatory approval, as well as the other risks and uncertainties applicable to cannabis producing companies and to the Company as set forth in the Company’s Filing Statement in respect of the Qualifying Transaction filed under the Company’s profile at www.sedar.com. The Company undertakes no obligation to update these forward-looking statements, other than as required by applicable law. This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.