

**Form 51-102F3**  
***Material Change Report***

**Item 1 Name and Address of Company**

Dixie Gold Inc. (the “Company”)  
810 – 789 West Pender Street  
Vancouver, British Columbia  
V6C 1H2

**Item 2 Date of Material Change**

June 30, 2022

**Item 3 News Release**

A news release announcing the material change was issued on July 5, 2022 through the facilities of The Newswire and a copy was subsequently filed on SEDAR.

**Item 4 Summary of Material Change**

The Company reported that it has been named as a party in a Statement of Claim by Barrick Gold Inc. in the Toronto Superior Court of Justice on June 30, 2022 (the “Claim”). The Claim alleges that the Company has breached certain obligations in an Earn-In and Joint Venture Agreement to pursue more lucrative commercial arrangements concerning the Company’s mining claims. The Company intends to defend the Claim and has retained litigation counsel.

**Item 5.1 Full Description of Material Change**

Please see the attached news release for a full description of the material change.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 4 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 5 Omitted Information**

Not applicable.

**Item 6 Executive Officer**

Ryan Kalt, Chairman & Chief Executive Officer  
Telephone: (604) 687-2038

**Item 9 Date of Report**

July 6, 2022.



## **Dixie Gold Inc. Receives \$120 Million Statement of Claim Over 70% Earn-In Option at Red Lake Project**

**Vancouver, British Columbia – July 5, 2022 – Dixie Gold Inc.** (TSX VENTURE: DG) (“**Dixie Gold**” or the “**Corporation**”) reports that it has been named as a party in a Statement of Claim issued by Barrick Gold Inc. (“**Barrick Gold**”) in the Toronto Superior Court of Justice on June 30, 2022 (Court File No: CV-22-00683409-0000)(the “**Claim**”).

The Claim alleges, among other things, that Dixie Gold has breached certain obligations in Earn-In and Joint Venture Agreement to pursue more lucrative commercial arrangements concerning the Corporation’s mining claims.

Dixie Gold intends to defend against the Claim and Lenczner Slaght LLP has been retained by the Corporation as litigation counsel.

### **Statement of Claim**

The Claim seeks, on a joint and several basis, the aggregate sum of specified and enumerated monetary damages, among other claims, of \$120 million for a 70% exploration earn-in option (the “**Earn-In Option**”) in the Red Lake Project (the “**Red Lake Project**”), arising from the termination of the Earn-In Option by the Corporation on June 7, 2022.

Among other defendants to the Claim, Barrick Gold named “**ABC Corporation Inc.**”, as placeholder for party that Barrick Gold alleges may have attempted, or may attempt hereafter, to deal in the subject project following the termination.

### **Information for Shareholders**

Without limitation, Dixie Gold advises shareholders as to the following particulars:

During the fall of 2021, Dixie Gold elected to engage with Barrick Gold for purposes of examining an exploration-focused earn-in agreement whereby Barrick Gold might earn an interest in a portion of the Red Lake Project (the “**Barrick Engagement**”).

The Barrick Engagement culminated in the formalization of an exploration-focused earn-in option agreement which could, if all terms were met, enable Barrick Gold to earn a 70% interest in the Red Lake Project (the “**Exploration Earn-In Option Agreement**”) as dated November 1, 2021, and

as consequently disclosed with detail by Dixie Gold (see news release, Dixie Gold Inc. Announces Agreement with Barrick Gold, dated November 3, 2021).

On June 3, 2022, Barrick Gold served Dixie Gold with a demand letter that instructed Dixie Gold to act to mitigate damages expected to be suffered by Dixie Gold by way of claim loss at the Red Lake Project as a result of an assessment credit deficit. Barrick alleged a corresponding deficit of filed exploration work otherwise necessary to generate sufficient government-approved assessment credits relating to exploration work by Barrick Gold so as to otherwise keep mining claims within the Red Lake Project in good-standing. Barrick Gold alleged that Dixie Gold had an obligation to maintain the claims for Barrick Gold based on a purported good-faith demand that, according to Barrick Gold, Dixie Gold owed to Barrick Gold in its capacity as a party seeking to earn-in (through exploration) at Dixie Gold's project.

On June 7, 2022, Dixie Gold delivered a termination notice to Barrick Gold of the Exploration Earn-In Option Agreement for, among other factors: (a) failure by Barrick Gold to file and obtain government approval of sufficient and/or timely exploration work, as prescribed by assessment-related regulations, and as otherwise needed to keep the claims comprising Dixie Gold's Red Lake Project in good-standing; (b) a rejection of the demand by Barrick Gold to file an extension of time application of a discretionary approval nature that could, in addition to the potential risk of mining claim loss if not granted, also be reasonably expected to result in the forfeiture of banked assessment credits held by Dixie Gold if granted; (c) a rejection of demands by Barrick Gold to Dixie Gold that Dixie Gold use and/or lend-out assessment credits that Dixie Gold holds at its corporate-level as a result of exploration work done by Dixie Gold (the "Dixie Gold Exploration Work") for the benefit of Barrick Gold, (d) a rejection of the assertion by Barrick Gold that Dixie Gold had a contractual obligation to maintain the claims for Barrick Gold, and (e) as to the demand by Barrick Gold that Dixie Gold immediately act to mitigate damages expected to be suffered by Dixie Gold due to imminent claim loss at the Red Lake Project.

On June 8, 2022, Dixie Gold announced that it had delivered the Dixie Gold Termination. In light of the Claim, Dixie Gold today reports that the identity of the unnamed party in its news release of June 8, 2022 was Barrick Gold (see news release, Dixie Gold Inc. Delivers Termination Notice to Earn-In Party Re: Red Lake Project, dated June 8, 2022).

Dixie Gold believes that its shareholders are the rightful beneficiaries of assessment credits owned by Dixie Gold (the "DG Exploration Credits"), including those held by the Corporation from the Dixie Gold Exploration Work or otherwise, and that Barrick Gold has no contractual entitlement to demand possession or use of the DG Exploration Credits.

As the registered owner of the mining claims that constitute the Red Lake Project, Dixie Gold intends to apply DG Exploration Credits to protect the claims and satisfy government-imposed obligations relating to assessment credit expenditure duties imposed on claim owners in Ontario, and as further applicable to mining claims within the Red Lake Project that have an upcoming anniversary date of July 10<sup>th</sup>.

The Corporation maintains that Barrick Gold has failed to meet contractual requirements under the Earn-In Option Agreement and that no joint-venture exists as between the parties.

All monetary amounts in this news release are expressed in Canadian dollars.

### **About Dixie Gold Inc.**

Dixie Gold Inc. (TSXV: DG) is a publicly-traded exploration company involved in a diverse portfolio of high-impact exploration projects in Canada.

The Company has 25,737,188 common shares issued, with no warrants outstanding.

For more information, please visit [www.dixiegold.ca](http://www.dixiegold.ca)

### **On Behalf of the Board of Directors**

Ryan Kalt  
Chief Executive Officer  
Dixie Gold Inc.

### Forward-Looking Statements

*This news release contains "forward-looking information" concerning anticipated developments and events that may occur in the future. Forward looking information contained in this news release includes, but is not limited to, statements with respect to the statement that Dixie Gold intends to defend the allegations made in the Claim, the outcome of the Claim and Dixie Gold's operations.*

*In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "occur" or "be achieved" suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information contained in this news release is based on certain factors and assumptions regarding, among other things, that Dixie Gold will successfully defend the Claim or in alternative reach an agreement that otherwise achieves settlement of the Claim, and while Dixie Gold considers these assumptions to be reasonable based on information currently available to it, that may prove to be incorrect.*

*Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Dixie Gold to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include the outcome of the Claim and the risks identified in the "Risk Factors" sections of Dixie Gold's publicly filed reports and filings with applicable Canadian securities regulators.*

*Although Dixie Gold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information is made as of the date of this news release. Except as required by applicable securities laws, Dixie Gold does not undertake any obligation to publicly update or revise any forward-looking information.*

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

**Contact Information:**

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