

FORM 51-102F3

**MATERIAL CHANGE REPORT**

**Item 1**     **Name and Address of Company**

Kermode Resources Ltd.  
230 - 470 Granville Street  
Vancouver, B.C. V6C 1V5

**Item 2**     **Date of Material Change**

May 27, 2020

**Item 3**     **News Release**

The news release dated May 27<sup>th</sup>, 2020 was issued from Vancouver, BC, and disseminated through Canada Stockwatch and Market News.

**Item 4**     **Summary of Material Change**

Kermode Resources Ltd. (KLM – TSXV) is pleased to announce that it has entered into an option agreement (the “Option Agreement”) with Strata GeoData Services Ltd. to acquire a 100% interest in the Vidette Lake gold project in British Columbia. Kermode also announces that its board of directors has approved the settlement of up to \$250,000 of debt (the “Debt Settlement”) through the issuance of common shares of the Company. Kermode further announces a non-brokered private placement of up to 20,000,000 common shares at \$0.01 per share for gross proceeds of up to \$200,000.

**Item 5**     **Full Description of Material Change**

Kermode Resources Ltd. (KLM – TSXV) is pleased to announce that it has entered into an option agreement (the “Option Agreement”) with Strata GeoData Services Ltd. to acquire a 100% interest in the Vidette Lake gold project in British Columbia. The Option Agreement was signed on May 23, 2020 and is an arm’s length transaction. No finder’s fees are payable in connection with the transaction.

The option is exercisable over a period of 3 years but may be accelerated at Kermode’s discretion. To exercise the option, Kermode must pay an aggregate of \$35,000 in cash, issue an aggregate of 500,000 common shares in the capital of Kermode, and expend an aggregate of \$225,000 on the planning, development and execution of a work program based on a mutually approved budget, over the next 3 years. The Option Agreement is subject to TSX Venture Exchange (“TSXV”) acceptance. All shares issued pursuant to the Option Agreement will be subject to resale restrictions under applicable securities legislation and the rules of the TSXV.

Kermode also announces that its board of directors has approved the settlement of up to \$250,000 of debt (the “Debt Settlement”) through the issuance of common shares of the Company. Pursuant to the Debt Settlement the Company will issue up to 25,000,000 common shares of the Company at a deemed price of \$0.01 per share to certain creditors of the Company in full satisfaction of the debt owed. The Debt Settlement is subject to TSXV acceptance. All shares issued pursuant to the Debt Settlement will be subject to resale restrictions under applicable securities legislation and the rules of the TSXV.

Kermode further announces a non-brokered private placement of up to 20,000,000 common shares at \$0.01 per share for gross proceeds of up to \$200,000. The proceeds will be used toward the \$35,000 option payment and the initial 12 months of work on the Vidette Lake project, and for general working capital purposes. Completion of the private placement is subject to acceptance by the TSXV. All shares issued pursuant to the private placement will be subject to resale restrictions under applicable securities legislation and the rules of the TSXV.

The option to acquire the Vidette Lake project amounts to a “fundamental acquisition” under TSXV policies, and as such trading of Kermode’s shares on the TSXV has been halted and will remain halted until Kermode has made adequate filings with the TSXV and the TSXV resumes trading.

Don Moore, CEO of Kermode noted “Kermode is continuing to focus on gold exploration and along with the Vidette property option, is actively seeking new projects.”

**Item 6** **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Confidentiality is not requested.

**Item 7** **Omitted Information**

No information has been omitted in respect of the material change.

**Item 8** **Executive Officer**

Donald G. Moore, Chairman and CEO  
Tel (604) 687-7178

**Item 9** **Date of Report**

May 27<sup>th</sup>, 2020