

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. Name and Address of Company

XAU Resources Inc. ("**XAU**" or the "**Company**")
66 Wellington Street West, Suite 4100, P.O. Box 35
Toronto, ON M5K 1B7

Item 2. Date of Material Change

October 21, 2021 and December 20, 2021

Item 3. News Release

Press releases in respect of the material change referred to in this report were issued by the Company on October 22, 2021 and December 21, 2021 via a Canadian newswire network, copies of which have been filed on SEDAR.

Item 4. Summary of Material Change

On October 21, 2021, the Company entered into a definitive option agreement with North West Exploration Inc. ("**NW Exploration**") to acquire the Noseno Property in Guyana as the basis for its "Qualifying Transaction" pursuant to the rules of the TSX Venture Exchange (the "**Property Option Agreement**").

On October 22, 2021, the Company announced the commencement of a subscription receipts financing.

On December 21, 2021, the Company announced the amendment of the Property Option Agreement

Item 5. Full Description of Material Change

Pursuant to the Property Option Agreement dated October 21, 2021, the Company may acquire a one hundred percent (100%) undivided interest in the Noseno Property by, among other things, making annual cash payments and incurring annual minimum work expenditures, all over a four-year period.

Upon full exercise of the option, XAU shall grant to NW Exploration a three percent (3%) net smelter returns royalty with respect to commercial production from the Noseno Property.

In the event that the option is fully exercised, and thereafter XAU produces a bankable feasibility study recommending that the Noseno Property be placed into commercial production, XAU shall pay NW Exploration \$2,500,000.

On October 22, 2021, XAU also announced an offering (the "**Offering**") of 4,000,000 subscription receipts (each, a "**Subscription Receipt**") at a price of \$0.25 per Subscription Receipt to raise gross proceeds of \$1,000,000. Upon closing of the Offering, the gross proceeds from the Offering (the "**Escrowed Funds**") will be delivered to TSX Trust, to be held in escrow, pending the satisfaction or waiver of certain escrow release conditions (the "**Escrow Release Conditions**") on or prior to 5:00 p.m. (Toronto time) on January 31, 2022 (the "**Escrow Release Deadline**"):

(a) the receipt of all regulatory, corporate, shareholder and regulatory approvals, if any, required in connection with the Offering and the Qualifying Transaction, including, without limitation, the conditional approval of the TSXV for the Qualifying Transaction;

(b) other than the release of the Escrowed Funds, all conditions precedent to the completion of the Qualifying Transaction, substantially in accordance with the terms of the Definitive Agreement

shall have been satisfied or waived, and shall be confirmed to be true and accurate in a certificate of a senior officer of XAU;

- (c) the receipt by TSX Trust of escrowed funds in the amount of \$1,000,000; and
- (d) the delivery of a notice from XAU to the Subscription Receipt Agent confirming the satisfaction or waiver of the foregoing items (a) and (b).

Each Subscription Receipt will entitle the holder thereof to receive upon satisfaction or waiver of the above escrow release conditions prior to the Escrow Release Deadline, without payment of any further consideration or further action on the part of the holder, one (1) common share of XAU.

If the Escrow Release Conditions are not satisfied or waived (to the extent permitted) at or before the Escrow Release Deadline, (ii) the Property Option Agreement is terminated before the Escrow Release Deadline, or (iii) prior to the Escrow Release Deadline, XAU announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrowed Funds shall be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled without any further action on the part of the holders.

Completion of the Qualifying Transaction is subject to various conditions precedent, including, but not limited to:

- (a) the Offering and the Qualifying Transaction having been conditionally accepted by the TSXV Venture Exchange; and
- (b) completion of the Offering.

The Qualifying Transaction, if completed, is an Arm's Length Qualifying Transaction. No Shareholder approval is required to complete the Qualifying Transaction.

On December 21, 2021, XAU announced that the option agreement was amended to defer certain cash payments. The Company may acquire a one hundred percent (100%) undivided interest in the Noseno Property by, among other things, making the following cash payments and incurring the following minimum work expenditures, all over a four-year period:

Payment Date	Annual Cash Payments ⁽¹⁾	Work Expenditures ⁽¹⁾
On or before the Trigger Date ⁽²⁾	NIL	CAD \$619,000
On or before the date that is two years from the Trigger Date ⁽²⁾	CAD \$371,520	CAD \$1,238,400
On or before the date that is three years from the Trigger Date ⁽²⁾	CAD\$743,040	CAD\$1,857,600
On or before the date that is four years from the Trigger Date ⁽²⁾	CAD\$1,981,440	CAD\$2,476,800

Notes:

- (1) All figures converted from United States Dollar amounts based on the Bank of Canada daily average rate of exchange on October 31, 2021 which was US\$1.00 = C\$1.2384.
- (2) The "Trigger Date" is the date that is the later of (a) one year from October 21, 2021 and (b) the day after the date on which (i) conditional acceptance by the Exchange of the Qualifying Transaction is received by XAU and (ii) not less than Cdn\$1,000,000 of Subscription Proceeds is unconditionally released to XAU.

No other terms of the option agreement were amended.

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

Not Applicable.

Item 7. Omitted Information

No information has been omitted from this material change report.

Item 8. Executive Officer

The following senior officer of the Company is knowledgeable about the material change and the Report and may be contacted as follows:

Mr. Gary Bay
Chief Executive Officer
Telephone: 647-339-4301

Item 9. Date of Report

December 23, 2021