

## Form 51 – 102F3

### Material Change Report

#### 1. Name and Address of Company

Magna Terra Minerals Inc. (“**Magna Terra**”)  
150 York Street  
Suite 410  
Toronto, Ontario  
M5H 3S5

#### 2. Date of Material Change

December 3, 2019.

#### 3. News Release

Magna Terra issued a news release with respect to the material change described below on December 3, 2019 via Market News Publishing Inc.

#### 4. Summary of Material Change

On December 3, 2019, Magna Terra announced NI 43-101 Technical Reports and Updated Mineral Resource Estimates for the Rattling Brook and Cape Spencer Gold Exploration Projects and provided update on the acquisition of exploration assets from Anaconda Mining Inc.

#### 5. Full Description of Material Change

##### 5.1 Full Description of Material Change

Magna Terra announced it has completed updated NI 43-101 Technical Reports and Mineral Resource Estimates for the Rattling Brook Deposit (“**Rattling Brook**”) of the Great Northern Project (“**Great Northern**”) in Newfoundland and Labrador and for the Cape Spencer Project (“**Cape Spencer**”) in New Brunswick. Cape Spencer and Great Northern, together make up the advanced exploration assets that Magna Terra is acquiring from Anaconda Mining Inc. (“**Anaconda**”) as previously announced on October 15, 2019. Magna Terra and Anaconda have entered into a share purchase agreement (the “**SPA**”) whereby Magna Terra proposes to acquire all of the issued and outstanding common shares of 2647102 Ontario Inc. (“**ExploreCo**”) from Anaconda (the “**Acquisition**”). ExploreCo owns a 100% interest in the Cape Spencer Project situated in New Brunswick and the Great Northern and Viking Projects (the “**ExploreCo Assets**”) situated in Newfoundland and Labrador (more details on each project provided below).

##### Mineral Resource Estimate Highlights

**Great Northern Project** - The Rattling Brook Deposit has an Inferred Mineral Resource Estimate of 5,460,000 tonnes at an average grade of 1.45 grams per tonne (“g/t”) gold for 255,000 contained ounces at a cut-off grade of 1.0 g/t gold.

**Cape Spencer Project** - The Cape Spencer Deposit has an Inferred Mineral Resource Estimate of 1,720,000 tonnes at an average grade of 2.72 g/t gold for 151,000 contained ounces in two zones:

- Northeast Zone - Inferred Mineral Resource of 740,000 tonnes at an average grade of 4.07 g/t gold, for 96,000 contained ounces at a cut-off grade of 2.5 g/t gold in a conceptual underground development; and
- \*Pit Zone - Inferred Mineral Resource of 990,000 tonnes at an average grade of 1.71 g/t gold, for 54,000 contained ounces at a cut-off grade of 0.5 g/t gold in a conceptual open pit.

### **Share Purchase Agreement**

Under the SPA, Magna Terra will acquire ExploreCo by issuing to Anaconda an aggregate number of common shares of Magna Terra equal to 100% of the outstanding Magna Terra common shares on the closing date of the Acquisition, following the completion of the previously announced share consolidation on an undiluted basis and before the Magna Terra financing (described below). The Acquisition constitutes a “Reverse Take-Over” and “Non-Arms’ Length” transaction within the meaning of the policies of the TSX Venture Exchange (the “**Exchange**”) as (i) Anaconda will become a control person of Magna Terra following the closing of the Acquisition and (ii) Mr. Lew Lawrick and Mr. Michael Byron, respectively President & Chief Executive Officer and Directors of Magna Terra, are also Directors of Anaconda.

The Acquisition is therefore subject to Magna Terra obtaining the approval of its disinterested shareholders at a special meeting (the “**Meeting**”) to be called to that effect as soon as possible in January 2020, subject to the approval of the Exchange. The closing of the Acquisition is also subject to, notably, the following conditions: (i) Magna Terra obtaining shareholder approval at the Meeting for (a share consolidation on the basis of one (1) new share of Magna Terra for every seven (7) common shares of Magna Terra presently issued and outstanding (the “**Share Consolidation**”), and (ii) the execution of an investor rights agreement between Magna Terra and Anaconda (see October 15, 2019 news release for details).

Magna Terra is presently working on the information circular (the “**Circular**”) that will be sent to its shareholders in connection with the Meeting, and will contain sufficient information on the Share Consolidation, the Acquisition and the Reverse Take-Over, ExploreCo and its assets, the Subscription Receipt Offering (as defined below) and Magna Terra post-transaction, so as to allow Magna Terra shareholders to make an informed decision. The contents of the Circular must be approved by the Exchange before it can be mailed out to Magna Terra shareholders.

### **Great Northern Project - Rattling Brook Deposit Mineral Resource Estimate**

The updated Mineral Resource Estimate for the Rattling Brook Deposit is 5,460,000 tonnes at an average grade of 1.45 g/t gold for 255,000 contained ounces at a cut-off grade of 1.0 g/t gold in 3 mineralized zones; the Road, Apsy and Beaver Dam zones with an effective date of January 23, 2019 (Table 1).

Table 1: Rattling Brook Deposit Mineral Resource Estimate – Effective Date: January 23, 2019

Zone	Cut-Off (Au g/t)	Category	Rounded Tonnes	Au (g/t)	Rounded Ounces
Apsy	1.0	Inferred	2,850,000	1.52	139,000
Road	1.0	Inferred	2,120,000	1.28	87,000
Beaverdam	1.0	Inferred	480,000	1.81	28,000
<b>Total</b>	<b>1.0</b>	<b>Inferred</b>	<b>5,460,000</b>	<b>1.45</b>	<b>255,000</b>

1. This Mineral Resource Estimate was prepared in accordance with NI 43-101 and the CIM Standards (2014)
2. Mineral Resource Estimate tonnages have been rounded to the nearest 10,000 and ounces have been rounded to the nearest 1,000. Totals may not sum due to rounding.
3. A cut-off of 1.00 g/t gold was used to estimate Mineral Resources.
4. Mineral Resources were interpolated using Ordinary Kriging from 1.5m downhole assay composites.
5. An average bulk density of 2.70 g/cm<sup>3</sup> has been applied.
6. Over 90% of Mineral Resources occur above a depth of 150m below surface, the current maximum depth of the Anaconda Mining operated Pine Cove Mine. Mineral Resources were reported within an additional 50m of the 150m bench mark, to a maximum depth of 200m, and are considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional open-pit mining methods at a gold price of CAD \$1,550 per ounce.
7. Mineral Resources do not have demonstrated economic viability.
8. This estimate of Mineral Resources may be materially affected by environmental, permitting, legal title, taxation, sociopolitical, marketing, or other relevant issues.

### Cape Spencer Project - Cape Spencer Deposit Mineral Resource Estimate

The Inferred Mineral Resource Estimate for the Cape Spencer Deposit is 1,720,000 tonnes at an average grade of 2.72 g/t gold for 151,000 contained ounces at cut-off grade of 0.5 g/t gold and 2.5 g/t gold in two mineralized zones, the \*Pit Zone and the Northeast Zone, with an effective date of January 23, 2019 (Table 2). The Northeast Zone contains a conceptual underground Inferred Mineral Resource Estimate of 740,000 tonnes at an average grade of 4.07 g/t gold for 96,000 contained ounces at a cut-off grade of 2.5 g/t gold and the \*Pit Zone contains a conceptual open-pit Inferred Mineral Resource Estimate of 990,000 tonnes at an average grade of 1.71 g/t gold for 54,000 contained ounces at a cut-off grade of 0.5 g/t gold.

Table 2: Cape Spencer Project Mineral Resource Estimate – Effective Date: January 23, 2019

Area	Cut-Off (Au g/t)	Category	Rounded Tonnes	Au (g/t)	Rounded Ounces
Northeast Zone	2.5	Inferred	740,000	4.07	96,000
*Pit Zone	0.5	Inferred	990,000	1.71	54,000
<b>Total</b>	<b>0.5 and 2.5</b>	<b>Inferred</b>	<b>1,720,000</b>	<b>2.72</b>	<b>151,000</b>

1. This Mineral Resources Estimate was prepared in accordance with NI 43-101 and the CIM Standards (2014)

2. Mineral Resource tonnages have been rounded to the nearest 10,000 and ounces have been rounded to the nearest 1,000. Totals may not sum due to rounding.
3. A cut-off of 2.50 g/t gold was used to estimate Mineral Resources for the Northeast Zone.
4. A cut-off of 0.50 g/t gold was used to estimate Mineral Resources for the Pit Zone.
5. Mineral Resources were interpolated using Ordinary Kriging from 1.5m assay composites capped at 15 g/t gold.
6. An average bulk density of 2.74 g/cm<sup>3</sup> has been applied.
7. Northeast Zone Mineral Resources extend to a maximum depth of 225m below surface and are considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional underground mining methods at a gold price of CAD \$1,550 per ounce.
8. Pit Zone Mineral Resources extend to a maximum depth of 100m below surface and are considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional open-pit mining methods at a gold price of CAD \$1,550 per ounce.
9. Mineral Resources do not have demonstrated economic viability.
10. This estimate of Mineral Resources may be materially affected by environmental, permitting, legal title, taxation, sociopolitical, marketing, or other relevant issues.

*\*The term "Pit Zone" reflects previously established deposit nomenclature that has been retained by Magna Terra. It does not denote application of an optimized pit shell or envelope for definition of Mineral Resources presented in Table 2 above.*

### **Viking Project - Thor Deposit Historical Mineral Resource Estimate**

A Historical Mineral Resource Estimate prepared in accordance with NI 43-101 and the CIM Standards (2014) by ExploreCo exists at the date of this Material Change Report for the Thor Deposit of the Viking Project and has an effective date of August 29th, 2016 (Table 3). The Thor Deposit contains an Historical Indicated Mineral Resource of 63,000 ounces Au (937,000 tonnes at an average grade of 2.09 g/t) plus an Historical Inferred Mineral Resource of 20,000 ounces Au (350,000 tonnes at an average grade of 1.79 g/t) at a cut-off grade of 1.0 g/t Au. An Independent Qualified Person has not carried out sufficient work to classify this Historical Mineral Resource Estimate as current and Magna Terra is not considering this Mineral Resource Estimate to be current. Magna Terra considers the Thor Deposit to have potential for expansion that will be addressed by Magna Terra in future exploration programs.

Table 3: Historical Mineral Resource Estimate and Sensitivity Report for the Thor Deposit – Effective date August 29th, 2016

<b>Au Cut-off (grams per tonne)</b>	<b>Tonnes &gt; Cut- off (tonnes)</b>	<b>Grade &gt; Cut- off Au (grams per tonne)</b>	<b>Contained Ounces Au*</b>
	<b>Indicated</b>		
0.50	1,817,000	1.42	83,000
<b>*1.00</b>	<b>937,000</b>	<b>2.09</b>	<b>63,000</b>
2.00	357,000	3.19	36,600
	<b>Inferred</b>		
0.50	847,000	1.15	31,000
<b>*1.00</b>	<b>350,000</b>	<b>1.79</b>	<b>20,000</b>
2.00	94,000	2.90	8,800

*\*Mineral Resource Estimate Cut-off gold grade is 1.0 g/t*

### **About the Great Northern and Viking Projects**

- The Great Northern and Viking Projects comprise 2 separate claim blocks, totalling 9,775 hectares (Great Northern - 4,175 hectares; Viking – 5,600 hectares) that are located 3 km north and 15 km south of the community of Jackson’s Arm, NL, respectively;
- Both Project areas cover highly prospective geology coincident with 20 kilometres of strike along a regional scale, gold-related structure - the Doucer’s Valley Fault;
- Located adjacent to the Doucer’s Valley Fault, part of the Long Range Fault system – a fertile gold bearing structure, similar to that associated with Marathon Gold’s Valentine Lake Project in central Newfoundland, which has been the focus of recent significant mineral resource growth and discovery;
- Host to several known gold deposits including Rattling Brook (Great Northern) and Thor (Viking) as well as high-grade prospects including Jackson’s Arm (Great Northern) that present numerous drill ready targets and potential for near-term discovery;
- Several untested gold prospects and showings, including the Shrik, Stocker, Boot N’ Hammer, 954 Prospects, Incinerator Trail Zone;

Surface grab samples assaying up to 20.2 g/t gold and 1,232 g/t silver at the Boot N’ Hammer Prospect; up to 56.7 g/t gold and 2.75 oz/t silver at the Stocker Prospect; up to 7.2 g/t gold at the Shrik Prospect; and up to 13.6 g/t gold at the 954 Prospect, hosted within a 1.7 km long by 40 to 400 m wide continuous alteration zone;

- The Incinerator Trail Zone has been tested by four reconnaissance-style diamond drill holes in the 1980’s and returned assays of 1.78 g/t gold over 4.0 m (hole RB-35) and 2.30 g/t gold over 4.05 m (hole RB-41);

Note: Analytical results in this Material Change Report section are sourced in the Great Northern Project Technical Report (2019) and Viking Project Technical Report (2016) - see “Technical Reports and Documentation Notes” below.

### **About the Cape Spencer Project**

- The Cape Spencer Project comprises 104 mineral exploration claims covering 2,365 ha and is located 15 kilometres southeast of Saint John, New Brunswick;
- The Project covers 8 kilometres of highly prospective strike in the hanging wall of a regional scale structure with 10 known gold occurrences, including the Emilio Zone (7.86 g/t over 7.4 m; AB-04-06) and other drill ready targets;
- Hosted within similar Proterozoic-aged rocks of the Avalon Zone that host multi-million ounce gold deposits such as Haile, Ridgeway and Hope Brook;
- Two gold deposits open along strike (Northeast and Pit Zones);
- **Emilio Zone** – Prospect at East end of Property
  - 7.86 g/t gold over 7.4 m (AB-04-06; near surface);
  - 12.00 g/t gold over 1.4 m (chip) and 2.77 g/t gold over 3.0 m (chip); and
  - ^Surface grab samples up to 168.00 g/t gold
- **Birches Zone** – 300-metre-long gold-bearing alteration zone south of the Northeast Zone
  - 17.85 g/t gold over 1.0 m within a zone grading 5.23 g/t gold over 4.0 m (MR-150);
  - 9.48 g/t gold over 1.0 m within a zone grading 4.01 g/t gold over 4.0 m (MR-149); and

- 3.60 g/t gold over 5.0 m (AB-04-08).
- **Zone A** – Grab samples up to 53.50 g/t gold.
- **Zone C** – Grab samples up to 8.92 g/t gold and chip sample of 2.77 g/t gold over 3.0 m.
- **Zone D** – Five occurrences of visible gold with grab samples up to 7.12 g/t gold.

Note: Analytical results in this Material Change Report section are sourced in the Cape Spencer Project Technical (2019) – see “Technical Reports and Documentation Notes” below; “grab samples” are selected samples and are not necessarily indicative of mineralization that may be hosted on the property.

#### **Additional Information on ExploreCo**

ExploreCo was constituted by Anaconda on July 24, 2018 under the *Business Corporations Act* (Ontario). ExploreCo was set up by Anaconda for the sole purpose of holding the ExploreCo Assets. Following the completion of the Acquisition, ExploreCo will be a wholly-owned subsidiary of Magna Terra.

Magna Terra will issue a subsequent news release to provide certain financial information on ExploreCo and certain pro forma financial information on Magna Terra post-transaction concurrently with the mailing of the Circular in preview of the Meeting.

#### **MAGNA TERRA FINANCING**

Concurrently with the Acquisition, Magna Terra proposes to complete, on a post-consolidation basis, a non-brokered private placement of subscription receipts (the “**Subscription Receipt Offering**”) for minimum proceeds of \$2.2 million and maximum proceeds of \$3.5 million. The Subscription Receipt Offering will be comprised on a combination of (i) flow-through common share subscription receipts (the “**FT Subscription Receipts**”) that qualify as flow-through shares for the purposes of the *Income Tax Act* (Canada) at a price of \$0.25 per FT Share Subscription Receipt (minimum proceeds of \$1.3 million and maximum proceeds of \$2 million) and (ii) unit subscription receipts of Magna Terra (the “**Unit Subscription Receipts**”) at a price of \$0.20 per Unit Subscription Receipt (minimum proceeds of \$900,000 and maximum proceeds of \$1.5 million).

Upon satisfaction of the Escrow Release Conditions (as defined below), each FT Subscription Receipt shall be exchangeable for one flow-through common share of Magna Terra. Each Unit Subscription Receipt shall be exchangeable for one unit of Magna Terra (a “**Unit**”) comprised of one common share of Magna Terra and one half of one share purchase warrant (each whole warrant being a “**Warrant**”), each Warrant entitling the holder thereof to purchase one additional common share of Magna Terra at a price of \$0.30 per share for a period of 24 months following the closing. The Warrants will also be subject to an accelerated expiry provision whereby should the common shares of Magna Terra trade on the Exchange at a price of \$0.50 or more for a period of 10 consecutive trading days, the Warrants will expire 30 days following the receipt of a written notice to that effect from Magna Terra.

The Subscription Receipt Offering is anticipated to close on or before December 31, 2019. The funds received from the Subscription Receipts Offering will be held in escrow (the “**Escrowed Funds**”) by an escrow agent pending completion of the Acquisition. Release of the Escrowed Funds will be conditional upon satisfaction of the following conditions (together, the “**Escrow Release Conditions**”): (i) Magna Terra shareholders’ approval of the Share Consolidation; (ii)

Magna Terra disinterested shareholders' approval of the Acquisition and Reverse-Take Over; (iii) the closing of the Subscription Receipt Offering for minimum proceeds of \$2.2 million; (iv) the closing of the Acquisition; and (v) the receipt of all required regulatory approvals including, without limitation, the conditional approval of the Exchange for the Acquisition, Reverse-Take-Over and the Subscription Receipt Offering. Magna Terra intends to use the net proceeds of the Subscription Receipt Offering, once released by the escrow agent following completion of the Escrow Release Conditions, to complete the phase 1 program recommended under the Great Northern Report (as defined below) and the Cape Spencer Report (as defined below), to pay for the fees and expenses of the Acquisition and other transactions outlined in this news release and for general corporate purposes. The Circular will contain complete details on the intended use of proceeds.

In connection with the Subscription Receipt Offering, Magna Terra will pay finder's fees equal to 6% of the aggregate gross proceeds originating from a finder. As additional compensation, Magna Terra will also issue non-transferable warrants (the "**Finder's Warrants**") equal to 6% of subscription receipts originating from such finder. Each Finder Warrant shall entitle the holder thereof to purchase one common share of Magna Terra at a price of \$0.30 per share for a period of 24 months. The finder's fees will be paid by Magna Terra upon satisfaction of the Escrow Release Conditions.

#### **MAGNA TERRA POST-ACQUISITION**

Following the completion of the Acquisition, but prior to completion of the Subscription Receipt Offering, it is anticipated that Anaconda will hold approximately 50% of the issued and outstanding shares of Magna Terra, on a post-consolidation basis. The current directors and officers of Magna Terra will continue to act in such capacity with no changes contemplated to current management.

Furthermore, although Magna Terra does not currently intend to divest of any of its assets in Argentina, it will continue to look at opportunities to extract value from them for its shareholders, and in the near term intends to devote the majority of its activities and exploration expenditures to advance the development of the Cape Spencer and Great Northern projects.

In connection with the Acquisition and the Subscription Receipt Offering, Magna Terra intends to qualify as a Tier 1 Mining Issuer on the Exchange following completion of these transactions. This remains subject to the approval of the Exchange as Magna Terra is currently listed as a Tier 2 Mining Issuer. Furthermore, Magna Terra will request an exemption from the sponsorship requirements under Exchange Policy 2.2 - *Sponsorship and Sponsorship Requirements* ("Policy 2.2") as Magna Terra believes that it meets all of the criteria for such exemption under Policy 2.2.

#### **Technical Reports and Documentation Notes**

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All Mineral Resource Estimates were prepared in accordance with NI 43-101 and the CIM Standards (2014).

The Mineral Resource Estimate quoted in this Material Change Report regarding the Great Northern Project refers to the technical report: "*NI 43-101 Technical Report and Updated Mineral Resource Estimate on the Rattling Brook Gold Deposit, Great Northern Project, White Bay Area, Newfoundland, Canada*", (the "Great Northern Report") with an effective date of

January 23, 2019, and authored by Matthew Harrington, P.Ge. (Independent Qualified Person) and Michael Cullen, P.Ge. (Independent Qualified Person).

The Mineral Resource Estimate quoted in this Material Change Report regarding the Cape Spencer Project refers to the technical report: “*NI 43-101 Technical Report and Mineral Resource Estimate on The Cape Spencer Gold Deposit, Saint John County, New Brunswick, Canada*”, (the “Cape Spencer Report”) with an effective date of January 23, 2019, and authored by Michael Cullen, P.Ge. (Independent Qualified Person), and Matthew Harrington, P.Ge. (Independent Qualified Person).

The Historical Mineral Resource Estimate quoted in this Material Change Report regarding the Viking Project (Thor Deposit) is taken from the technical report: “*NI 43-101 Technical Report And Mineral Resource Estimate For The Thor Deposit, Viking Project, White Bay Area, Newfoundland and Labrador, Canada, Latitude 49° 42' N Longitude 57° 00' W*” prepared for Anaconda Mining Inc. by David A. Copeland, P.Ge., Dr. Shane Ebert, P. Geo. and Gary Giroux, P. Eng. M.A.Sc., August 29, 2016.

Rock and core sample lengths from historic exploration programs that are reported in this Material Change Report are presented as core or sample lengths only. True widths of mineralized intervals are not known. All quoted drill core sample intervals, grades and production statistics were compiled from historic assessment reports obtained from either the government of New Brunswick or government of Newfoundland and Labrador that are referenced the Technical Reports noted above.

#### *Cautionary Statements Regarding Forward Looking Information*

Some statements in this Material Change Report may contain forward-looking information. All statements, other than of historical fact, that address activities, events or developments that Magna Terra believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding potential mineralization) are forward-looking statements. Forward-looking statements are generally identifiable by use of the words “may”, “will”, “should”, “continue”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “plan” or “project” or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Magna Terra’s ability to control or predict, that may cause the actual results of Magna Terra to differ materially from those discussed in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, without limitation, failure by the parties to complete the Acquisition, failure to establish estimated mineral resources, the possibility that future exploration results will not be consistent with Magna Terra's expectations, changes in world gold markets or markets for other commodities, and other risks disclosed in Magna Terra’s public disclosure record on file with the relevant securities regulatory authorities. Any forward-looking statement speaks only as of the date on which it is made and except as may be required by applicable securities laws, Magna Terra disclaims any intent or obligation to update any forward-looking statement.

#### **5.2 Disclosure required for a “Restructuring Transaction”**

Not applicable.

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

Not applicable.

**7. Omitted Information**

Not applicable.

**8. Executive Officer**

The executive officer who can answer questions regarding this report is Mr. Lew Lawrick, President Chief Executive Office of Magna Terra. Mr. Lawrick can be reached at (647) 478-5307.

**9. Date of Report**

December 9, 2019.