

**FORM 51 – 102F3**  
**MATERIAL CHANGE REPORT**  
**UNDER NATIONAL INSTRUMENT 51-102**

**ITEM 1            Name and Address of Company**

Jazz Resources Inc.  
#2 – 1493 Phoenix Street  
White Rock, BC V4B 3L1

(“Jazz” or the “Company”)

**ITEM 2            Date of Material Change**

October 12, 2020

**ITEM 3            News Release**

The Company issued news releases on July 28, 2020, July 31, 2020, September 14, 2020 and October 13, 2020. The news releases were distributed through newswire services and filed on SEDAR.

**ITEM 4            Summary of Material Change**

The Company announced that it closed the first tranche of the non-brokered private placement in the amount of \$669,000.

**ITEM 5            Full Description of Material Change**

**5.1                Full Description of Material Change**

The Company announced that it closed a portion of the non-brokered private placement offering (the “Offering”) of up to 10,000,000 units (each, a “Unit”) at a price of \$0.20 per Unit for gross proceeds of \$2,000,000. The Company issued 3,345,000 Units at a price of \$0.20 per Unit for gross proceeds of \$669,000. Each Unit is comprised of one common share and one share purchase warrant (each a “Warrant”).

One Warrant will entitle the holder to purchase one common share (as “Warrant Share”) at a price of \$0.39 per Warrant Share until April 10, 2021, being six (6) months from the date of issuance. The hold periods for the units and the underlying securities expires on February 10, 2021. The Company paid a finder’s fee of 6% cash, totaling \$2,100, and 6% in Warrants, totaling 10,500 Warrants, to Raymond James Ltd. in connection with a portion of the Offering which closed. The balance of the Offering may be completed in one or more additional tranches.

The Offering was conducted pursuant to available prospectus exemptions, including sales to accredited investors, family members, close friends and business associates of directors and officers of the Company, and to purchasers who have obtained suitability advice from a registered investment dealer pursuant to the exemption set out in BC Instrument 45-536 (Exemption from prospectus requirements for certain distributions through an investment dealer) (the “Investment Dealer Exemption”). All securities issued pursuant to the Offering will be subject to a four month hold period from the date of issuance.

A portion of the balance of the Offering will be conducted by way of a sidecar financing as further described in the Company’s news release dated September 14, 2020. If the Offering is fully subscribed, and the ECO (as defined below) transaction that was previously announced is approved by the Exchange

or the sidecar portion of the Offering is completed, the Company plans to allocate the gross proceeds of the Offering to: (i) fund the loan payment (US\$500,000 (approximately, CDN\$650,000)) due to Eco Mining Oil & Gas Drilling and Exploration EIRELI (“Eco”) pursuant to a purchase and sale agreement with Coltan Gold Minerals Inc. (“Coltan”) with respect to the acquisition by the Company of Coltan’s interest in the Vila Nova Royalty Agreement, (ii) if warranted, to advance an additional US\$500,000 (approximately CDN\$650,000) to Eco, (iii) to complete a bulk sampling program on the Company’s Teddy Glacier property located near Revelstoke, B.C. (\$300,000), and (iv) the balance (\$400,000) for general working capital purposes. If the Offering is not fully subscribed, the Company will apply the gross proceeds to the uses set out above, in such amounts and proportions as the board of directors and management of the Company determine is in the best interests of the Company. Although the Company intends to use the proceeds of the Offering as described above, the actual allocation of proceeds may vary from the uses set out above depending upon future operations, events or opportunities. Subscribers investing pursuant to the Investment Dealer Exemption must reside in one of the following jurisdictions; British Columbia, Alberta, Manitoba, New Brunswick and Saskatchewan. In accordance with the requirements of the Investment Dealer Exemption, the Company confirms that there is no material fact or material change related to the Company which has not been generally disclosed. Insiders of the Company, including certain directors and officers, are expected to participate in the Offering. Such participation is considered a related party transaction within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The Company will rely on exemptions from the formal valuation requirement of MI 61-101 as contained in section 5.5(b) in respect of the proposed related party participation in the Offering as no securities of the Issuer are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside Canada and the United States other than the Alternative Investment Market or the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. The Company will also rely on an exemption from the minority shareholder approval requirement of MI61-101 provided under section 5.7(e) of MI61-101.

## **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**

Not applicable

## **ITEM 8 Executive Officer**

Rob Klenk  
President & Chief Executive Officer  
(604) 329 – 9092  
rob@jazzresources.ca

## **ITEM 9 Date of Report**

October 20, 2020