

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Cortus Metals Inc. (the “**Company**”)
10545 - 45 Avenue NW
250 Southridge, Suite 300
Edmonton, AB, T6H 4M9

Item 2 Date of Material Change

August 26, 2020 and August 31, 2020

Item 3 News Release

A news release was disseminated on September 1, 2020 through the facilities of Newsfile.

Item 4 Summary of Material Change

On August 26, 2020, the Company completed a non-brokered financing (the “**Financing**”) raising gross proceeds of \$2,562,500.70 through the sale of 17,083,338 units at a price of \$0.15 per unit (each a “**Unit**”).

On August 31, 2020, the Company completed the acquisition of the Grayson and Powerline properties (the “**Properties**”) which transaction (the “**Transaction**”) constituted the Company’s qualifying transaction.

The Company’s common shares were split on the basis of two (2) new shares for each one (1) old share (the “**Split**”) applicable to shareholders of record (“as of the close of business on August 21, 2020 .

Item 5 Full Description of Material Change

Transaction

On August 31, 2020, the Company completed the acquisition of the Grayson and Powerline properties (the “**Properties**”) which transaction (the “**Transaction**”) constituted the Company’s qualifying transaction.

Pursuant to the Transaction, the Company acquired a 100% interest in the Properties in consideration of (i) the issuance of 1,000,000 post-split common shares of the Company, and (ii) the payment of US\$274,400 in aggregate, of which US\$19,400 was paid as a non-refundable deposit and US\$105,000 was advanced as a secured loan to Intermont, which has been forgiven as a result of the Transaction, and a remaining cash payment of US\$150,000 paid on the closing date.

The Company also granted to the members of Intermont a 2% net smelter return royalty on each of the Properties (the “**Royalty**”), subject to a buy-back right in favor of the Company whereby the Company may acquire for payment of

US\$1,500,000 one-half of the Royalty on either Property at any time prior to 180 days following the earlier of (i) a production decision on the property being made or (ii) commencement of commercial production (the “**Buyback Deadline**”), which payment may be made in cash or through the issuance of the Company’s common shares at a deemed value equivalent to 20 day VWAP up until 60 days following the Buyback Deadline.

The Company was also granted by Intermont the right to acquire any of its other projects for a period of 24 months from closing in consideration of 200,000 post-split common shares per project and the grant of a 2% net smelter royalty, subject to the same buyback rights applicable to the Royalty.

The securities issued pursuant to the Transaction bear a four-month hold period expiring on January 1, 2021.

Financing

On August 26, 2020, the Company completed a non-brokered financing (the “**Financing**”) raising gross proceeds of \$2,562,500.70 through the sale of 17,083,338 units at a price of \$0.15 per unit (each a “**Unit**”). Each Unit comprised one post-split common share and one share purchase warrant (each a “**Warrant**”) to acquire a further post-split common share at a price of \$0.20 per share until August 26, 2022.

The Warrants are subject to an accelerated expiry provision such that, if the closing price of the Company's common shares is equal to or greater than \$0.25 for a period of five consecutive trading days (at any time at or following the expiry of the four months resale restriction period), the Company may, by notice to the warrant holder in writing or via press release, reduce the remaining exercise period applicable to the Warrants to not less than 30 days from the date of such notice.

Aggregate finder’s fees of \$91,472.99 in cash and 609,918 in finder’s warrants, bearing the same terms as the Warrants, were paid to registered dealers in connection with the Financing.

The proceeds from the Financing will be used primarily for exploration and development costs on the Properties, for general working capital and administrative expenses and to pay the expenses of the Transaction. The securities issued pursuant to the Financing bear a four month hold period expiring on December 27, 2020.

Four insiders of the Company participated directly and indirectly in the Placement acquiring an aggregate of 320,690 Units on the same basis as other subscribers as follows:

- (a) Mr. Sean Mager purchased indirectly through 859053 Alberta Ltd., 140,690 Units for an aggregate cost of \$21,103.50;
- (b) Mr. James Greig purchased directly 70,000 Units for an aggregate cost of \$10,500.00;
- (c) Mr. Chris Beltgens purchased directly 40,000 Units for an aggregate cost of \$6,000.00; and

(d) Mr. Jeremy Yaseniuk purchased directly 70,000 Units for an aggregate cost of \$10,500.

As Mssrs. Mager, Greig, Beltgens and Yaseniuk are all directors of the Company of the Company, they are "related parties" to the Company within the meaning of Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("MI 61-101"). As such, the Insider Participation, constitutes a "related party transaction" within the meaning of MI 61-101.

Prior to the Insider Participation, Mr. Mager held 1,200,000 common shares of the Company, Mr. Beltgens and Mr. Greig each held 400,000 common shares of the Company and Mr. Yaseniuk held 800,000 common shares of the Company. The Insider Participation did not materially impact the ownership interest of Mssrs. Mager, Greig, Beltgens and Yaseniuk in the Company and represented less than 1% of the issued and outstanding shares of the Company.

Other than the subscription agreements between Mssrs. Mager, Greig, Beltgens and Yaseniuk and the Company relating to the Financing, the Company has not entered into any agreement with an interested party or a joint actor with an interested party in connection with the Financing.

The board of directors approved the Financing. There are no prior valuations in respect of the Company or the Financing and neither the board of the Company nor its officers are aware of the existence of any such valuation.

The Company is relying on exemptions from the formal valuation and minority approval requirements under MI 61-101. The Company relied on Section 5.5(a) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(a) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101 as the fair market value of the Financing in so far as the Financing involved interested parties did not exceed 25% of the Company's market capitalization.

The material change report in connection with the Financing was not filed 21 days in advance of the closing of the Financing for the purposes of Section 5.2(2) of MI 61-101 on the basis that the subscriptions under the Financing were not available to the Company until shortly before the closing

Split

The Company's common shares were split on the basis of two (2) new shares for each one (1) old share (the "**Split**") applicable to shareholders of record ("as of the close of business on August 21, 2020). The Split is being conducted on a "push-out" basis and therefore the Company's CUSIP number will remain the same.

Item 6

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

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 **Omitted Information**

No information has been omitted on the basis that it is confidential information.

Item 8 **Executive Officer**

Sean Mager is knowledgeable about the material change and the Report and may be contacted (780) 437.6624.

Item 9 **Date of Report**

September 4, 2020