

Form 51 – 102F3

Material Change Report

1. Name and Address of Company

X-Terra Resources Inc. (“**X-Terra Resources**”)
147 avenue Québec (back door)
Rouyn-Noranda, Quebec
J9X 6M8

2. Date of Material Change

December 21, 2020.

3. News Release

X-Terra Resources issued a news release with respect to the material change described below on December 22, 2020 via CNW Telbec.

4. Summary of Material Change

X-Terra Resources completed a first closing of a non-brokered private placement at which it issued 6,451,613 units at a price of \$0.155 per unit, for aggregate gross proceeds to X-Terra of \$1,000,000.

5. Full Description of Material Change

5.1. Full Description of Material Change

X-Terra Resources completed a first closing of a non-brokered private placement at which it issued 6,451,613 units at a price of \$0.155 per unit, for aggregate gross proceeds to X-Terra of \$1,000,000. Each of the 6,451,613 units is comprised of one federal “flow-through” common share and one-half of a common share purchase warrant. Each whole warrant entitles its holder to acquire one additional common share of X-Terra at a price of \$0.20 for a period of 24 months from the closing date. X-Terra intends to use the proceeds from the private placement for exploration on certain of its mining exploration properties in Québec and New Brunswick.

In connection with the private placement, X-Terra paid cash commissions to a securities dealer in an aggregate amount of \$64,750. In addition, X-Terra granted finders’ options to Marquest Asset Management Inc. and Roche Securities Limited entitling them to acquire, respectively, up to 158,064 and 259,676 additional common shares of X-Terra at a price of \$0.155 per share for a period of 24 months.

As a result of the first closing of the private placement, there are 77,953,267 common shares of X-Terra issued and outstanding. Under applicable securities legislation, the securities issued in the private placement are subject to a four-month hold period, expiring on April 22, 2021.

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

Not applicable.

6. **Reliance on subsection 7.1(2) or (3) 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. Sylvain Champagne, Chief Financial Officer of X-Terra Resources. Mr. Champagne can be reached at (819) 762-4101.

9. **Date of Report**

December 30, 2020.