

**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**

August 27, 2021.

**3. News Release**

X-Terra Resources issued a news release with respect to the material change described below on August 27, 2021 via CNW Telbec.

**4. Summary of Material Change**

X-Terra Resources completed the closing of a non-brokered private placement at which it issued 11,716,670 units at a price of \$0.075 per unit, for aggregate gross proceeds to X-Terra of \$878,750.

**5. Full Description of Material Change**

**5.1. Full Description of Material Change**

X-Terra Resources completed the closing of a non-brokered private placement at which it issued 11,716,670 units at a price of \$0.075 per unit, for aggregate gross proceeds to X-Terra Resources of \$878,750. Each of the 11,716,670 units is comprised of one common share and one common share purchase warrant (the “**Warrants**”). Each Warrant entitles its holder to acquire one additional common share of X-Terra Resources at a price of \$0.11 for a period of 24 months from the closing date. In the event that the closing price of the common shares of X-Terra Resources on the TSX Venture Exchange (“**TSXV**”) is at least \$0.20 for a period of not less than 10 consecutive trading days, the Warrants will expire, at the sole discretion of X-Terra Resources, on the 30<sup>th</sup> day after the date on which X-Terra Resources sends a notice in prescribed form to the holders of the Warrants.

X-Terra Resources intends to use the proceeds from the private placement for exploration on certain of its mining exploration properties in Québec and New Brunswick and for working capital purposes.

In connection with the private placement, X-Terra Resources paid cash commissions to two securities dealers in an aggregate amount of \$9,948.75. In addition, X-Terra granted finders’ options to Canaccord Genuity Corp. and Leede Jones Gable Inc. entitling them to acquire up to an aggregate of 132,650 additional common shares of X-Terra at a price of \$0.075 per share for a period of 24 months.

As a result of the closing of the private placement, there are 91,169,937 common shares of X-Terra Resources issued and outstanding. Under applicable securities legislation, the securities issued in the private placement are subject to a four-month hold period, expiring on December 28, 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**

September 3, 2021.