

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1. *Name and Address of Company*

1317223 B.C. Ltd. (“**223**” or the “**Corporation**”)
3400 22 Adelaide S. W
Toronto, Ontario
M5H 4E3

ITEM 2. *Date of Material Change*

October 30, 2023

ITEM 3. *News Release*

A press release was disseminated on October 31, 2023

ITEM 4. *Summary of Material Change*

On October 31, 2023, the Corporation announced that it had entered into an amalgamation agreement dated October 30, 2023 (the “**Amalgamation Agreement**”) with Dryden Gold Corp. (“**Dryden**”), a privately held corporation incorporated under the laws of the Province of British Columbia, pursuant to which 223 and Dryden will amalgamate pursuant to the *Business Corporations Act* (British Columbia) (together with the related transactions and corporate procedures set forth in the Amalgamation Agreement, the “**Transaction**”).

ITEM 5.1 *Full Description of Material Change*

The Corporation entered into the Amalgamation Agreement with Dryden, pursuant to which Dryden and 223 will amalgamate.

Dryden was incorporated in November of 2021, focusing on high-grade gold exploration opportunities and projects within the historic Kenora and Patricia Mining Divisions (the “**Dryden District**”) of Northwestern Ontario. Dryden has assembled a strong management team with an initial goal to build a dominant land position in the under-explored Dryden District which offers excellent infrastructure and year around access. With that objective, Dryden has acquired two highly prospective opportunities, the Manitou property and the Tremblay project.

The Amalgamation Agreement provides for, among other things, an amalgamation under the Business Corporations Act (British Columbia), (the “**Amalgamation**”), pursuant to which:

- i. 223 will complete a consolidation of its issued and outstanding common shares (the “**Consolidation**”) on the basis of 1 pre-Consolidation common share for every 0.864864865 post-Consolidation common share, resulting in the outstanding share capital of 223 being comprised of an aggregate of 4,000,000 post-Consolidation common shares (each a “**223 Share**”);
- ii. 223 and Dryden will cease to exist as separate legal entities and continue as one corporation, the Resulting Issuer;
- iii. all of the outstanding 223 Shares will be cancelled and, in consideration therefor, the holders thereof will receive common shares of the Resulting Issuer (each, a “**Resulting Issuer Share**”) on the basis of one Resulting Issuer Share at a deemed price of \$0.25 per Resulting Issuer Share for each 223 Share previously outstanding;

- iv. all of the 44,355,893 outstanding common shares of Dryden (the “**Dryden Shares**”) will be cancelled and, in consideration therefor, the holders thereof will receive Resulting Issuer Shares at a deemed price of \$0.25 per Resulting Issuer Share on the basis of one Resulting Issuer Share for each Dryden Share previously outstanding;
- v. an aggregate of 3,475,000 share purchase warrants of Dryden (the “**Dryden Warrants**”) will be cancelled and, in consideration therefor, the holders thereof will receive share purchase warrants of the Resulting Issuer (the “**Resulting Issuer Warrants**”) exercisable to acquire common shares of the Resulting Issuer Shares on the basis of one Resulting Issuer Warrant for each Dryden Warrant previously outstanding;
- vi. an aggregate of 3,100,000 stock options of Dryden (the “**Dryden Options**”) will be cancelled and, in consideration therefor, the holders thereof will receive stock options of the Resulting Issuer (the “**Resulting Issuer Options**”) exercisable to acquire common shares of the Resulting Issuer Shares on the basis of one Resulting Issuer Option for each Dryden Option previously outstanding; and
- vii. the Resulting Issuer will be named “Dryden Gold Corp.”, or such other name as determined by 223.

Completion of the Transaction will be subject to certain conditions (the “**Transaction Conditions**”), including among others: (i) the requirement for Dryden to obtain shareholder approval for the Amalgamation; (ii) the requirement for 223 to obtain approval of all of the shareholders of 223 with respect to the Amalgamation; (iii) the completion of the Offering (as defined below); (iv) the completion of the Consolidation by 223; (v) obtaining the approval of the TSXV with respect to the listing of the Resulting Issuer Shares; (vi) the TSXV shall have granted an exemption or waiver from the sponsorship requirement or a sponsor shall have filed an acceptable report with the TSXV; and (vii) Dryden shall not be in default of the requirements of any securities commission and no order shall have been issued that would prevent the Transaction or trading of any securities of Dryden.

Further particulars regarding the Amalgamation Agreement and the Transaction are set out in the press release of Dryden dated October 31, 2023.

Private Placement

As a condition to completing the Transaction, Dryden intends to complete a private placement of subscription receipts of Dryden (the “**Subscription Receipts**”) for gross proceeds of at least \$3 million up to a maximum of \$5 million (the “**Offering**”).

It is expected that the Company will pay certain arm’s length eligible persons (each, a “**Finder**”) a finder’s fee equal to 6.0% of the aggregate gross proceeds of the subscribers participating in the Offering introduced by such Finders (“**Finder’s Fee**”), payable on the closing date of the Offering. In addition, the Company will issue to such Finders, finder’s warrants (the “**Finder’s Warrants**”) exercisable to acquire that number of Dryden Shares as is equal to 6.0% of the aggregate number of Subscription Receipts issued pursuant to the Offering to the subscribers introduced by each such Finder. Each Finder’s Warrant shall be exercisable to acquire one Dryden Share at a price of \$0.40 for a period of two years following the closing of the Offering.

The gross proceeds derived from the sale of the Subscription Receipts, will be held in escrow on behalf of the subscribers of the Subscription Receipts by an escrow agent to be appointed by the Company, pursuant to the terms of a Subscription Receipt subscription agreements (the “**Subscription Agreements**”) to be entered into in connection with the Offering.

Each Subscription Receipt will be automatically converted, without payment of any additional consideration and without any further action on the part of the holder thereof, upon the satisfaction of certain conditions related to the Transaction (the “**Escrow Release Conditions**”) into a unit, comprised of one Dryden Share, and one-half of one share purchase warrant, with each whole warrant (a “**Dryden Unit Warrant**”) exercisable to acquire a Dryden Share at a price of \$0.40 per Dryden Share for a period

of two years. Pursuant to the terms of the Definitive Agreement, the Dryden Shares will be exchanged for Resulting Issuer Shares on the basis of one Resulting Issuer Share for each Dryden Share so held, respectively, and the Dryden Unit Warrants will be exchanged for Resulting Issuer Warrants on the basis of one Resulting Issuer Warrant for each Dryden Unit Warrant held.

The net proceeds of the Offering derived from the Subscription Receipts will be used by the Company to fund exploration, as well as for general corporate purposes following completion of the Transaction.

Proposed Management and Board of Directors of the Resulting Issuer

Following the completion of the Transaction, the parties expect that the current board of directors and management of 223 will resign, and it is proposed that the persons outlined in the press release dated October 31, 2023 will be appointed as management of the Resulting Issuer. Specific details on the roles and experience of the proposed persons to make up management of the Resulting issuer are outlined in the press release dated October 31, 2023.

The Corporation anticipates that the Transaction will enable the Resulting Issuer to meet the initial listing requirements of the TSX Venture Exchange (“**TSXV**”) for a “Tier 2 Mining Issuer” (as such term is defined in the policies of the TSXV).

ITEM 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*

No significant facts have been omitted from this report.

ITEM 8. *Executive Officer*

James Ward
Chief Executive Officer
416-897-2359

ITEM 9. *Date of Report*

November 14, 2023

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Corporation and Dryden should be considered highly speculative.

THE TSX VENTURE EXCHANGE INC. HAS IN NO WAY PASSED UPON THE MERITS OF THE PROPOSED TRANSACTION AND HAS NEITHER APPROVED NOR DISAPPROVED THE CONTENTS OF THIS NEWS RELEASE

Cautionary Note Regarding Forward-Looking Statements

The information contained herein contains “forward-looking statements” within the meaning of applicable securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the proposed Transaction; the terms and conditions of the proposed Offering; use of proceeds from the Offering; future development plans; and the business and operations of the Resulting Issuer after the proposed Transaction. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be “forward-looking statements.” Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; political and regulatory risks associated with mining and exploration; risks related to the maintenance of stock exchange listings; risks related to environmental regulation and liability; the potential for delays in exploration or development activities or the completion of feasibility studies; the uncertainty of profitability; risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; results of prefeasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Corporation’s expectations; risks related to commodity price fluctuations; and other risks and uncertainties related to the Corporation’s prospects, properties and business detailed elsewhere in Dryden’s and the Corporation’s disclosure record. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Investors are cautioned against attributing undue certainty to forward-looking statements. These forward-looking statements are made as of the date hereof and Dryden and the Corporation do not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from Dryden and the Corporation’s expectations or projections.