

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Barsele Minerals Corp. ("**Barsele**" or the "**Company**")
Suite 300
1055 West Hastings Street
Vancouver, British Columbia
V6E 2E9

2. Date of Material Change

December 12, 2023

3. News Release

A news release with respect to the material change referred to in this report was disseminated in Canada on December 13, through Cision, TSX Venture Disclosure package and a copy was subsequently filed under the Company's profile on SEDAR+.

4. Summary of Material Change

On December 13, 2023, the Company announced that it had entered into an arrangement agreement (the "**Arrangement Agreement**") dated December 12, 2023, pursuant to which the Company will acquire all of the issued and outstanding common shares (the "**Gold Line Shares**") of Gold Line Resources Ltd. ("**Gold Line**") by way of a plan of arrangement (the "**Transaction**"). Barsele also announced that, concurrent with the Transaction, it intends to undertake a financing to raise approximately \$1.0 million pursuant to a non-brokered private placement (the "**Concurrent Private Placement**") of subscription receipts of Barsele (the "**Subscription Receipts**").

5.1 Full Description of Material Change

On December 13, 2023, the Company announced that it had entered into the Arrangement Agreement pursuant to which the Company will acquire all of the issued and outstanding Gold Line Shares by way of a plan of arrangement.

Barsele also announced that, concurrent with the transaction, it intends to undertake a financing to raise approximately \$1.0 million in a non-brokered private placement to fund the exploration programs across the combined portfolio of Barsele following completion of the Transaction (the "**Resulting Issuer**"), costs related to the proposed Transaction, and for working capital and general corporate purposes.

Transaction Terms

Pursuant to the terms and conditions of the Arrangement Agreement, the holders of the issued and outstanding Gold Line Shares will receive 0.7382 of a common share of Barsele (each, a "**Barsele Share**") for each one (1) Gold Line Share (the "**Exchange Ratio**") held immediately prior to closing of the Transaction. Gold Line options and warrants that are outstanding at the effective time of the Transaction will be exercisable in accordance with their terms and based on the Exchange Ratio for similar securities to purchase Barsele Shares. The Transaction will be carried out by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia).

Upon completion of the Transaction, the Resulting Issuer will continue to be listed on the TSX Venture Exchange ("**TSXV**") under the existing name and ticker symbol of Barsele. Excluding shares that will be

issued in connection with the Concurrent Private Placement, existing shareholders of Barsele will own approximately 80% of the Resulting Issuer's outstanding shares and existing shareholders of Gold Line will own approximately 20% of the Resulting Issuer outstanding shares on an undiluted basis.

The Arrangement Agreement contains customary deal-protection provisions including a non-solicitation covenant in respect of Gold Line, a right of Barsele to match any superior proposal as defined and described in the Arrangement Agreement. Under certain circumstances, if the Arrangement Agreement is terminated Barsele would be entitled to a termination fee of \$400,000. Additionally, each party is entitled to an expense reimbursement fee in certain circumstances.

A copy of the Arrangement Agreement has been filed under Barsele's profile on SEDAR+.

Conditions to Completion

The completion of the Transaction is subject to a number of terms and conditions, including, without limitation, the following: (a) approval of the Gold Line shareholders, as described below; (b) approval of the TSXV; (c) issuance of a final order by the British Columbia Supreme Court; (d) completion of the Concurrent Private Placement; and (e) other standard conditions of closing for a transaction of this nature. There can be no assurance that all necessary approvals will be obtained or that all conditions to completion of the Transaction will be satisfied.

The Transaction is subject to approval at a special meeting of Gold Line shareholders (the "**Gold Line Meeting**") and requires an affirmative vote in favour of the Transaction from 66.67% of the votes cast by Gold Line shareholders at the Gold Line Meeting. The Transaction is not subject to any minority approval required under either the policies of the TSXV or Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. Barsele does not require shareholder approval of the Transaction.

Board of Directors and Management of Resulting Issuer

Upon closing of the Transaction, the board of directors of the Resulting Issuer (the "**Resulting Issuer Board**") will be comprised of five (5) directors, including two (2) nominees of Gold Line and three (3) nominees of Barsele. Mr. Taj Singh will assume the role as President, CEO and Director of the Resulting Issuer and lead the combined management and project team of the Resulting Issuer. Benjamin Gelber of Gold Line will assume the VP Exploration role of the Resulting Issuer.

The Resulting Issuer Board is expected to be made up of Gold Line directors Mr. Toby Pierce (Non-executive Chair) and Mr. Taj Singh and Barsele directors Gary Cope and Ross Wilmot, as well as new incumbent Mr. Marc Legault. Mr. Legault is a geologist and spent 34 years working at Agnico, including experience on the Company's Barsele Gold Project, and retired from Agnico in 2022 as a Senior Vice-President.

Transaction Timeline

Pursuant to the Arrangement Agreement and subject to satisfying all necessary conditions and receipt of all required approvals, the parties anticipate completing the Transaction in February 2024. In connection with completion of the Transaction, the Gold Line Shares will be de-listed from the TSXV and following closing, Gold Line will make an application to cease to be a reporting issuer under Canadian securities laws.

Recommendations by the Boards of Directors and Fairness Opinion

The board of directors of Barsele unanimously approved the entering into of the Arrangement Agreement. After consultation with its financial and legal advisors, the board of directors of Gold Line (the "**Gold Line Board**") unanimously approved the entering into of the Arrangement Agreement. The Gold Line Board will recommend that Gold Line shareholders vote in favour of the Transaction. PI Financial Corp. provided a fairness opinion to the Gold Line Board stating that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be received by Gold Line shareholders under the Transaction is fair, from a financial point of view, to such Gold Line shareholders.

Voting Support Agreements

In connection with signing of the Arrangement Agreement, certain directors, officers and shareholders of Gold Line have entered into voting support agreements with Barsele, agreeing to vote their Gold Line Shares in favour of the Transaction at the Gold Line Meeting. An aggregate of 7,996,260 Gold Line Shares, representing approximately 17% of the issued and outstanding Gold Line Shares, are subject to these voting support agreements.

Concurrent Private Placement

In connection with the Transaction, Barsele proposes to undertake the Concurrent Private Placement to raise aggregate proceeds of approximately \$1.0 million through the sale of up to 6,700,000 Subscription Receipts at a price of \$0.15 per Subscription Receipt. Each Subscription Receipt will entitle the holder thereof to receive, for no additional consideration and without further action on part of the holder thereof, at the effective time of the Transaction, one unit (each, a "**Unit**") of Barsele. Each Unit will consist of one Barsele Share (each, a "**Sub Receipt Share**") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Barsele Share (each, a "**Warrant Share**") at a price equal to \$0.25 per Barsele Share for a period of two (2) years following the date of issuance of the Warrant. The Subscription Receipts, Sub Receipt Shares, Warrants and Warrant Shares will be subject to a statutory four-month hold period following closing of the Concurrent Private Placement.

The gross proceeds of the Concurrent Private Placement will be held in escrow pending the satisfaction of the escrow release conditions, including the satisfaction of the conditions to the closing of the Transaction, and certain other customary conditions. Barsele may pay finder's fees to certain finders in respect of subscriptions received from investors in the Concurrent Private Placement, subject to entering into customary finder's fee agreements with such finders and the policies of the TSXV. The Concurrent Private Placement is subject to approval of the TSXV.

This material change report contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Barsele, Gold Line and the Resulting Issuer with respect to future business activities and operating performance. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and include information regarding: (i) expectations regarding whether the proposed Transaction will be consummated, including whether conditions to the consummation of the Transaction will be satisfied, or the timing for completing the Transaction, (ii) expectations regarding whether the proposed Concurrent Private Placement will be consummated, including whether conditions to the consummation of the Concurrent Private Placement will be satisfied, or the timing for completing the Concurrent Private Placement, (iii) expectations regarding the potential benefits and synergies of the Transaction and the ability of the Resulting Issuer to successfully achieve its business objectives, including integrating the companies or the effects of unexpected costs, liabilities or delays, (iv) expectations regarding additions to mineral resources and reserves and future production, (v) expectations regarding financial strength, free cash flow generation, trading liquidity, and capital markets profile, (vi) the Gold Line Meeting, (vii) use of proceeds of the Concurrent Private Placement, (viii) the composition of the Resulting Issuer Board and senior management of the Resulting Issuer; and (ix) expectations for other economic, business, and/or competitive factors.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect Barsele's and Gold Line's respective management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Barsele and Gold Line each believe that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable

factors could have material adverse effects on future results, performance or achievements of the Resulting Issuer. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to consummate the Transaction; the ability to consummate the Concurrent Private Placement; the ability to obtain requisite court, regulatory and shareholder approvals and the satisfaction of other conditions to the consummation of the Transaction on the proposed terms and schedule; the ability of Barsele and Gold Line to successfully integrate their respective operations and employees and realize synergies and cost savings at the times, and to the extent, anticipated; the potential impact on exploration activities; the potential impact of the announcement or consummation of the Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; the re-rating potential following the consummation of the Transaction; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the Transaction. This forward-looking information may be affected by risks and uncertainties in the business of Barsele and Gold Line and market conditions. This information is qualified in its entirety by cautionary statements and risk factor disclosure contained in filings made by Barsele and Gold Line with the Canadian securities regulators, including Barsele's and Gold Line's respective financial statements and related management's discussion and analysis for the financial year ended December 31, 2022 and their respective interim financial reports and related management's discussion and analysis for the period ended September 30, 2023 filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedarplus.com.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Barsele and Gold Line have attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended Barsele and Gold Line do not intend, and do not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

7. Omitted Information

Not applicable.

8. Executive Officer

Gary Cope, President and CEO
Telephone: 604 687-8566
info@barseleminerals.com

9. Date of Report

December 21, 2023