

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

1. Name and Address of Company

Bonterra Resources Inc. (the “Company” or “Bonterra”)
2872 Sullivan Rd, Suite 2
Val-d’Or QC
J9P 0B9

2. Date of Material Change

October 21, 2021

3. News Release

A press release disclosing the material change was released on October 21, 2021, through the facilities of Newsfile Corp.

4. Summary of Material Change

The Company closed the brokered private placement previously announced on September 27, 2021 (the “Offering”). Pursuant to the Offering, Bonterra issued 7,935,000 common shares (each a “Common Share”) of the Company that qualify as “flow-through shares” (the “FT Shares”) at a price of \$1.47 per FT Share for gross proceeds of \$11,664,450.

Cormark Securities Inc. acted as lead agent on behalf of a syndicate of agents which included Red Cloud Securities Inc. (collectively, the “Agents”). In connection with the Offering, the Agents received a cash fee equal to 6.0% of the gross proceeds from sales of the FT Shares under the Offering to subscribers other than those on the President’s List and a cash fee equal to 2.0% of the gross proceeds from the sale of the FT Shares to subscribers from the President’s List.

The gross proceeds from the issuance of the FT Shares will be used for “Canadian exploration expenses” that qualify as “flow-through mining expenditures”, as both terms are defined in subsection 127(9) of the *Income Tax Act* (Canada) (the “Qualifying Expenditures”), related to the Company’s projects in Québec which will be incurred on or before December 31, 2022 and renounced to the subscribers with an effective date no later than December 31, 2021 in an aggregate amount not less than the gross proceeds raised from the Offering. In addition, with respect to Québec resident subscribers who are eligible individuals under the *Taxation Act* (Québec), the Canadian exploration expenses will also qualify for inclusion in the “exploration base relating to certain Québec exploration expenses” within the meaning of section 726.4.10 of the *Taxation Act* (Québec) and for inclusion in the “exploration base relating to certain Québec surface mining expenses or oil and gas exploration expenses” within the meaning of section 726.4.17.2 of the *Taxation Act* (Québec). If the Qualifying Expenditures are reduced by the Canada Revenue Agency, the Company will indemnify each FT Share subscriber for any additional taxes payable by such subscriber as a result of the Company’s failure to renounce the Qualifying Expenditures as agreed.

The Common Shares issued in the Offering are subject to a statutory hold period of four months and one day from the date of issue in accordance with applicable securities laws.

5. Full Description of Material Change

The material change is fully described in the Company's press release which is attached as Schedule "A" and is incorporated herein.

The Company understands that certain funds managed by Wexford Capital LP, an insider of the Company, acquired a total of 1,989,300 Common Shares through a secondary trade related to the Offering. As a result of its participation in the Offering, Wexford Capital increased its current ownership level in the Company by less than 0.5%. The indirect participation in the Offering by an insider of the Company constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The following supplementary information is provided in accordance with Section 5.2 of MI 61-101:

(a) a description of the transaction and its material terms:

1,989,300 Common Shares through a secondary trade related to the Offering were acquired by Wexford on October 21, 2021.

(b) the purpose and business reasons for the transaction:

The gross proceeds from the issuance of the FT Shares will be used for "Canadian exploration expenses" that qualify as "flow-through mining expenditures", as both terms are defined in subsection 127(9) of the *Income Tax Act* (Canada) (the "**Qualifying Expenditures**"), related to the Company's projects in Québec which will be incurred on or before December 31, 2022 and renounced to the subscribers with an effective date no later than December 31, 2021 in an aggregate amount not less than the gross proceeds raised from the Offering. In addition, with respect to Québec resident subscribers who are eligible individuals under the *Taxation Act* (Québec), the Canadian exploration expenses will also qualify for inclusion in the "exploration base relating to certain Québec exploration expenses" within the meaning of section 726.4.10 of the *Taxation Act* (Québec) and for inclusion in the "exploration base relating to certain Québec surface mining expenses or oil and gas exploration expenses" within the meaning of section 726.4.17.2 of the *Taxation Act* (Québec). If the Qualifying Expenditures are reduced by the Canada Revenue Agency, the Company will indemnify each FT Share subscriber for any additional taxes payable by such subscriber as a result of the Company's failure to renounce the Qualifying Expenditures as agreed.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

See 5(b) above.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Wexford Capital LP indirectly acquired a total of 1,989,300 Common Shares through a secondary trade related to the Offering on October 21, 2020 in connection with the Offering as follows:

Subscriber	No. of Shares
Wexford Catalyst Trading Limited	941,065

Wexford Spectrum Trading Limited	1,048,235
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- (ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Pursuant to the Offering, Wexford Catalyst Trading Limited and Wexford Spectrum Trading Limited, affiliates of Wexford Capital LP, acquired 941,065 and 1,048,235 Common Shares, respectively. After completion of the Offering, the Common Shares beneficially owned or controlled by funds managed by Wexford Capital LP, an investment firm controlling over 10% of the Common Shares of the Company, is 22,136,083 Common Shares or 19.90% of the outstanding Common Shares of the Company.

- (e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

Resolution passed by the board of directors of the Company on September 25, 2021 approving the Offering.

- (f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

The Company understands that Wexford entered into purchase agreements with the Agents to acquire Common Shares through a secondary trade related to the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Offering constitutes a “related party transaction” of the Company under MI 61-101. No formal valuation on the part of the Company is required under MI 61-101, in respect of the participation of Wexford in the Offering. The Company is relying on the exemptions from the formal valuation and minority approval requirements in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, on the basis that the fair market value (as determined under MI 61-101) of the related party transaction does not exceed 25% of the Company’s market capitalization.

The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering. The Company does not view the related party transaction as a material change. The Company closed the related party portion of the Offering concurrently with the entire Offering less than 21 days after the announcement of the Offering which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Offering for its exploration program and complete the Offering in an expeditious manner.

- (j) **Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

7. Omitted Information.

Not applicable.

8. Executive Officer.

For further information, contact Pascal Hamelin, President and CEO of the Company at (819) 825-8678.

9. Date of Report.

This report is dated at Val-d’Or, this 21st day of October, 2021.

BONTERRA RESOURCES INC.

Per: “Pascal Hamelin” (Signed)
Pascal Hamelin, President and CEO