

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

1911 Gold Corporation (the "**Corporation**")
400 Burrard Street, Suite 1050
Vancouver, British Columbia V6C 3A6

Item 2 Date of Material Change

July 14, 2020

Item 3 News Release

A news release with respect to the material change referred to in this report was issued by the Corporation through Canada Newswire on July 14, 2020 and a copy was subsequently filed under the Corporation's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Item 4 Summary of Material Change

On July 14, 2020, the Corporation closed a "bought deal" private placement of 8,200,000 common shares in the capital of the Corporation that will qualify as "flow-through shares" within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) (collectively, the "**Flow-Through Shares**") for aggregate gross proceeds of \$5,208,000 (the "**Offering**"). The Flow-Through Shares were issued in two tranches with tranche one consisting of 4,275,000 Flow-Through Shares (the "**Premium FT Shares**") issued to purchasers resident in Manitoba at a price of \$0.75 per Premium FT Share for aggregate gross proceeds of \$3,206,250 and tranche two consisting of 3,925,000 Flow-Through Shares (the "**National FT Shares**") issued to purchasers resident outside of Manitoba at a price of \$0.51 per National FT Share for aggregate gross proceeds of \$2,001,750.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On July 14, 2020, the Corporation closed a "bought deal" private placement of 8,200,000 Flow-Through Shares for aggregate gross proceeds of \$5,208,000. The Flow-Through Shares were issued in two tranches with tranche one consisting of 4,275,000 Premium FT Shares issued to purchasers resident in Manitoba at a price of \$0.75 per Premium FT Share for aggregate gross proceeds of \$3,206,250 and tranche two consisting of 3,925,000 National FT Shares issued to purchasers resident outside of Manitoba at a price of \$0.51 per National FT Share for aggregate gross proceeds of \$2,001,750.

Canaccord Genuity Corp., BMO Capital Markets and Stifel GMP acted as underwriters (collectively, the "**Underwriters**") in connection with the Offering pursuant to the terms of an underwriting agreement dated July 14, 2020. In consideration for their services in connection with the Offering, the Corporation paid the Underwriters a cash commission

equal to 4.7% of the aggregate gross proceeds from the sale of Flow-Through Shares, and a reduced cash commission equal to 2.0% of the aggregate gross proceeds from the sale of Flow-Through Shares to certain purchasers on the "President's List". As additional consideration for their services in connection with the Offering, the Corporation issued the Underwriters non-transferable broker warrants of the Corporation ("**Broker Warrants**") equal to 4.0% of the aggregate number of Flow-Through Shares issued, and a reduced number of Broker Warrants equal to 2.0% of the aggregate number of Flow-Through Shares issued to certain purchasers on the "President's List". Each Broker Warrant is exercisable to acquire one common share in the capital of the Corporation at an exercise price of \$0.60 per share until January 14, 2022.

The gross proceeds from the sale of the Flow-Through Shares will be used by the Corporation to incur eligible "Canadian exploration expenses" (as defined in the *Income Tax Act* (Canada)) that will qualify as "flow-through mining expenditures" (as defined in the *Income Tax Act* (Canada) and, in respect of the Premium FT Shares, subsection 11.7(1) of *The Income Tax Act* (Manitoba)) (the "**Qualifying Expenditures**") related to the Corporation's projects in Manitoba and, in respect of proceeds from the sale of the National FT Shares, Ontario. All Qualifying Expenditures will be renounced in favour of the subscribers of the Flow-Through Shares effective December 31, 2020.

The Offering was made by way of private placement in Canada pursuant to applicable exemptions from the prospectus requirements under applicable Canadian securities laws. The securities issued under the Offering are subject to a hold period under applicable Canadian securities laws which will expire on November 15, 2020. The Offering is subject to final acceptance of the TSX Venture Exchange.

Multilateral Instrument 61-101

Blair Schultz, a director of the Corporation, Michael Hoffman, a director of the Corporation, and Shaun Heinrichs, an officer of the Corporation, subscribed for 100,000 National FT Shares, 50,000 National FT Shares and 30,000 National FT Shares, respectively, under the Offering on the same terms as arm's length investors. Immediately following the completion of the Offering, Messrs. Schultz, Hoffman and Heinrichs beneficially owned or controlled 2,020,072 common shares, 199,000 common shares and 190,334 common shares, respectively, representing approximately 4.35%, 0.43% and 0.41%, respectively, of the issued and outstanding common shares in the capital of the Corporation.

The participation of each of Messrs. Schultz, Hoffman and Heinrichs in the Offering constitutes a "related party transaction" for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Corporation is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Offering in reliance on sections 5.5(b) and 5.7(1)(a), respectively, of MI 61-101, as no securities of the Corporation are listed or quoted on the specified markets and neither the fair market value of the securities issued to Messrs. Schultz, Hoffman and Heinrichs nor the fair market value of the consideration for the securities issued to Messrs. Schultz, Hoffman and Heinrichs exceeds 25% of the Corporation's market capitalization as calculated in accordance with MI 61-101. The Corporation did not file a material change report more than 21 days before the expected closing date of the Offering as the aforementioned insider

participation had not been confirmed at that time and the Corporation wished to close the Offering as expeditiously as possible.

A special committee was not established in connection with the Offering. The Offering was approved by the board of directors of the Corporation pursuant to a resolution consented to in writing in accordance with the provisions of the *Business Corporations Act* (British Columbia). No materially contrary view was expressed or made by any director who voted on the resolution.

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 information has been omitted from this report on the basis that it is confidential information.

Item 8 Executive Officer

The following executive officer of the Corporation is knowledgeable about the material change and this report and may be contacted as follows:

Shaun Heinrichs
Chief Financial Officer
Telephone: (604) 674-1293

Item 9 Date of Report

July 16, 2020