

## 51-102F3

### MATERIAL CHANGE REPORT

**ITEM 1. Name and Address of Company**

Pure Energy Minerals Limited (“**Pure Energy**” or the “**Company**”)  
1400 - 1111 West Georgia Street  
Vancouver, BC V6E 4M3

**ITEM 2. Date of Material Change**

October 30, 2018

**ITEM 3. News Release**

The Company disseminated a news release in respect of the material change on October 30, 2018 via West Corporation. The news release was subsequently filed on SEDAR on October 30, 2018.

**ITEM 4. Summary of Material Changes**

The Company has implemented a management restructuring under which the board of directors is assuming day-to-day leadership of the Company for a period of time. Mr. Patrick Highsmith and Mr. Paul Zink have tendered their resignations from the Company as CEO and CFO, respectively, effective 31 October 2018. Patrick Highsmith will remain on the Company’s board. Mr. Frank Wells, an independent director and chairman of the audit committee, has assumed the role of interim CFO. The Board of Directors is also engaged in an active search for a new CEO.

The Company has not made the US\$75,000 payment that is due on its Clayton Valley Lithium Project (the “**CV Project**”) under the terms the Amended Option Agreement (“**Agreement**”) that was signed on October 10, 2018. There is an additional payment of US\$300,000 due on December 31, 2018. The Company has determined that it currently has negative working capital and insufficient cash resources to make the required option payments covering mineral claims that overlie the majority of the current lithium resources on the Company’s CV Project, which is the Company’s principal asset.

Under the terms of Agreement, the Optionors have the right initiate a default process and 30-day cure period, putting the Company at risk of losing its rights to the mineral claims that are the subject of the option agreement and which cover the majority of the current mineral resources at its principal asset. The Optionors have not yet initiated a default process of the Agreement. The Company is in direct communication with the Optionor and the parties informally have agreed to a temporary postponement of the payment.

**ITEM 5. Full Description of Material Change**

The Company has implemented a management restructuring under which the board of directors is assuming day-to-day leadership of the Company for a period of time. Mr. Patrick Highsmith and Mr. Paul Zink have tendered their resignations from the Company as CEO and CFO, respectively, effective 31 October 2018. Patrick Highsmith will remain on the Company's board. Mr. Frank Wells, an independent director and chairman of the audit committee, has assumed the role of interim CFO. The Board of Directors is also engaged in an active search for a new CEO.

The Company has not made the option payment due on its Clayton Valley Project (the "**CV Project**"). The sum of US\$75,000 was due on November 1, 2018 and a further US\$300,000 is due on December 31, 2018. The Company has determined that it currently has negative working capital and insufficient cash resources to make these payments unless it successfully raises additional funds. Under the agreement the Company has 30 days following a Default Notification from the Optionor. The Optionor not yet sent the Company a Default Notification so the above-mentioned 30-day period has not begun. The Company is in direct communication with the Optionor and parties have informally agreed to a temporary postponement of the payment.

As at the close of business on November 2, 2018 the Company had cash on hand of approximately US\$ 11,000 and its net working capital was approximately negative US\$ 610,000. Approximately US\$ 207,191 of that amount is owed to the Company insiders and another approximately \$ 100,000 is owed to the lead project engineers, who continue to collaborate with the Company on financing solutions.

The Company is actively pursuing potential equity investments from new and existing shareholders, possible strategic transactions with corporate groups, and debt instruments (as a contingency), which may provide the Company with sufficient funds to make the option payments on the CV Project. If required, the Company may also seek to further amend the agreements governing the CV Project to further reduce and/or delay the required payments. However, there can be no assurance that any of these initiatives will be successful. If they are not, and the Company fails to make payments when due, the optionors under those agreements have the right initiate a default process and 30-day cure period, putting the Company at risk of losing its rights to the mineral claims which cover the majority of the current mineral resources at its principal asset.

If the initiatives referred to above are not successful and/or if the Company loses the majority of its mineral resources at its principal asset, there can be no assurance that the Company will be able to continue to operate. At that time, it may need to seek bankruptcy protection or liquidate.

**ITEM 6. Reliance on Subsection 7.1(2) of National Instrument 51-102**

This report is not being filed on a confidential basis.

**ITEM 7. Omitted Information**

There are no significant facts required to be disclosed herein which have been omitted.

**ITEM 8. Executive Officer**

For further information, please contact:

Name: Frank Wells, Acting Chief Financial Officer Telephone: (303) 399-8885

**ITEM 9. Date of Report**

November 5, 2018.