

**FORM 51-102F3
Material Change Report**

**MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF
NATIONAL INSTRUMENT NO. 51-102**

Item 1. Reporting Issuer

Talisker Resources Ltd. (the “**Company**” or “**Talisker**”)
100 King Street West
Suite 7010
Toronto, Ontario
M5X 1A0

Item 2. Date of Material Change

The material change occurred on December 13, 2019.

Item 3. Press Release

A news release relating to the material changes described herein was disseminated on December 16, 2019 via Newswire.

Item 4. Summary of Material Change

The Company announced that it had acquired (the “**Acquisition**”) all of the common shares of Bralorne Gold Mines Ltd. (“**Bralorne**”) from Avino Silver & Gold Mines Ltd. (“**Avino**”) pursuant to the definitive share purchase agreement (the “**Agreement**”) entered into on November 21, 2019. Talisker also announced that it completed a non-brokered private placement issuing 22,222,222 common shares at a price of \$0.18 per common share for gross proceeds of \$4.0 million.

Item 5. Full Description of Material Change

The Company announced that it closed the previously announced acquisition of all of the common shares of Bralorne from Avino. Talisker also announced the completion of the related non-brokered private placement of 22,222,222 common shares at a price of \$0.18 per common share for gross proceeds of \$4.0 million.

Transaction Summary

Pursuant to the terms of the Agreement, Talisker acquired all of the common shares of Bralorne, Avino’s former wholly-owned subsidiary which owns the Bralorne Gold Project located in British Columbia (the “**Project**”), in exchange for:

1. a cash payment of \$8.7 million;
2. 12,580,000 common shares of Talisker (“**Common Shares**”) equal to 9.9% of the number of outstanding Common Shares immediately after closing;

3. 6,290,000 common share purchase warrants (“**Warrants**”), with each Warrant being exercisable at \$0.25 for a period of three years from closing, subject to acceleration in the event the closing price of Common Shares is greater than \$0.35 for 20 or more consecutive trading days at any time until April 14, 2020; and
4. a cash payment of US\$2.5 million on commencement of commercial production of the Project.

The Common Shares and Warrants issued to Avino are subject to a contractual one-year hold period, subject to certain exceptions. Until Avino holds not less than 5% of outstanding Common Shares, Avino has a pre-emptive right to participate in future equity financings of Talisker to maintain its share ownership percentage interest in Talisker.

The Project is located in southern British Columbia and currently consists of 4,200 hectares. The Bralorne mine complex produced approximately 4.2 million ounces of gold at a grade of 17.7 g/t Au from 30 veins in three adjacent mines (Bralorne, Pioneer and King) until eventual closure in 1971 due to depressed gold prices.

Non-Brokered Private Placement

In connection with the Acquisition, the Company completed a non-brokered private placement (the “**Private Placement**”) of 22,222,222 Common Shares at price of \$0.18 per Common Share for gross proceeds of \$4.0 million. The Common Shares issued under the Private Placement are subject to a four month hold period expiring April 14, 2020 in accordance with applicable securities laws.

Pursuant to the Private Placement, Cangeroo Capital Corp., an entity controlled and directed by Mr. Terence Harbort, the Chief Executive Officer of Talisker subscribed for an aggregate of 1,777,711 Common Shares at a price of \$0.18 per Common Share. Mr. Terence Harbort is an insider of the Company. As of December 12, 2019, immediately prior to the closing of the Private Placement, Mr. Terence Harbort held an aggregate of 1,941,277 Common Shares of the Company and convertible securities entitling Mr. Terence Harbort to acquire an additional 1,100,000 Common Shares of the Company, representing approximately 2.13% of the issued and outstanding shares of the Company (or 3.29% on a partially diluted basis assuming exercise of such convertible securities only). Following the closing of the Private Placement, Mr. Terence Harbort holds an aggregate of 3,718,988 Common Shares and convertible securities entitling Mr. Terence Harbort to acquire 1,100,000 Common Shares representing approximately 2.93% of the issued and outstanding shares of the Company post-closing (and approximately 3.76% on a partially diluted basis, assuming exercise of the convertible securities only).

Pursuant to the Private Placement, Cowendo Investments Ltd., an entity controlled and directed by Mr. Andres Tinajero, the Chief Financial Officer of Talisker, subscribed for an aggregate of 1,277,800 Common Shares at a price of \$0.18 per Common Share. As of December 12, 2019, immediately prior to the closing of the Private Placement, Andres Tinajero held an aggregate of

1,496,274 Common Shares of the Company and convertible securities entitling Andres Tinajero to acquire an additional 512,500 Common Shares of the Company, representing approximately 1.64% of the issued and outstanding shares of the Company (or 2.19% on a partially diluted basis assuming exercise of such convertible securities only). Following the closing of the Private Placement, Mr. Tinajero holds an aggregate of 2,774,074 Common Shares and convertible securities entitling Mr. Tinajero to acquire 512,500 Common Shares representing approximately 2.18% of the issued and outstanding shares of the Company post-closing (and approximately 2.58% on a partially diluted basis, assuming exercise of the convertible securities only).

Pursuant to the Private Placement, Mr. Brent Gilchrist and Jeffco Holdings Inc., his associated entity, subscribed for an aggregate of 1,805,555 Common Shares at a price of \$0.18 per Common Share. Mr. Brent Gilchrist is an insider of the Company. As of December 12, 2019, immediately prior to the closing of the Private Placement, Mr. Brent Gilchrist and his associated entities held an aggregate of 2,783,561 Common Shares of the Company and convertible securities entitling Mr. Brent Gilchrist to acquire an additional 1,050,000 Common Shares of the Company, representing approximately 3.05% of the issued and outstanding shares of the Company (or 4.15% on a partially diluted basis assuming exercise of such convertible securities only). Following the closing of the Private Placement, Mr. Brent Gilchrist and his associated entities hold an aggregate of 4,589,116 Common Shares and convertible securities entitling Mr. Brent Gilchrist to acquire 1,050,000 Common Shares representing approximately 3.61% of the issued and outstanding shares of the Company post-closing (and approximately 4.40% on a partially diluted basis, assuming exercise of the convertible securities only).

Pursuant to the Private Placement, Mr. Thomas Obradovich subscribed for an aggregate of 250,000 Common Shares at a price of \$0.18 per Common Share. Mr. Thomas Obradovich is an insider of the Company. As of December 12, 2019, immediately prior to the closing of the Private Placement, Mr. Thomas Obradovich held an aggregate of 1,671,463 Common Shares of the Company and convertible securities entitling Mr. Thomas Obradovich to acquire an additional 950,000 Common Shares of the Company, representing approximately 1.83% of the issued and outstanding shares of the Company (or 2.84% on a partially diluted basis assuming exercise of such convertible securities only). Following the closing of the Private Placement, Mr. Thomas Obradovich holds an aggregate of 1,921,463 Common Shares and convertible securities entitling Mr. Thomas Obradovich to acquire 950,000 Common Shares representing approximately 1.51% of the issued and outstanding shares of the Company post-closing (and approximately 2.24% on a partially diluted basis, assuming exercise of the convertible securities only).

Pursuant to the Private Placement, Mr. Ruben Padilla subscribed for an aggregate of 777,778 Common Shares at a price of \$0.18 per Common Share. Mr. Ruben Padilla is an insider of the Company. As of December 12, 2019, immediately prior to the closing of the Private Placement, Mr. Ruben Padilla held an aggregate of 1,364,703 Common Shares of the Company and convertible securities entitling Mr. Ruben Padilla to acquire an additional 900,000 Common Shares of the Company, representing approximately 1.5% of the issued and outstanding shares of the Company (or 2.46% on a partially

diluted basis assuming exercise of such convertible securities only). Following the closing of the Private Placement, Mr. Ruben Padilla holds an aggregate of 2,142,481 Common Shares and convertible securities entitling Mr. Ruben Padilla to acquire 900,000 Common Shares representing approximately 1.69% of the issued and outstanding shares of the Company post-closing (and approximately 2.38% on a partially diluted basis, assuming exercise of the convertible securities only).

Pursuant to the Private Placement, Mr. Blair Zaritsky subscribed for an aggregate of 55,555 Common Shares at a price of \$0.18 per Common Share. Mr. Blair Zaritsky is an insider of the Company. As of December 12, 2019, immediately prior to the closing of the Private Placement, Mr. Blair Zaritsky held an aggregate of 26,905 Common Shares of the Company and convertible securities entitling Mr. Blair Zaritsky to acquire an additional 300,000 Common Shares of the Company, representing approximately 0.03% of the issued and outstanding shares of the Company (or 0.36% on a partially diluted basis assuming exercise of such convertible securities only). Following the closing of the Private Placement, Mr. Blair Zaritsky holds an aggregate of 82,460 Common Shares and convertible securities entitling Mr. Blair Zaritsky to acquire 300,000 Common Shares representing approximately 0.06% of the issued and outstanding shares of the Company post-closing (and approximately 0.30% on a partially diluted basis, assuming exercise of the convertible securities only).

The Private Placement was approved by the board of directors of Talisker at a meeting held on November 16, 2019. The transaction is exempt from the formal valuation and minority shareholder approval requirements of applicable securities laws as at the time the Private Placement was agreed to, neither the fair market value of the subject matter of, or the fair market value of the consideration for, the Private Placement insofar as it involves interested parties, exceeded 25% of the Company's market capitalization.

The Private Placement was completed to raise proceeds for the Acquisition and for general working capital purposes. A material change report is being filed in connection with the insider participation in the Private Placement less than 21 days in advance of closing of the Private Placement, as the Company did not have executed subscription agreements until the Closing.

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

The report is not being filed on a confidential basis.

Item 7. Omitted Information

No information has been omitted.

Item 8. Executive Officer

Terence Harbort, Chief Executive Officer

Item 9. Date of Report

December 23, 2019