

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. Name and Address of Company

Galleon Gold Corp.
161 Bay St. Suite 2700
Toronto, Ontario
M5J 2S1

ITEM 2. Date of Material Change

October 14, 2020

ITEM 3. News Release

A news release was issued on October 14, 2020 through Newsfile Corp and filed on SEDAR the same day.

ITEM 4. Summary of Material Change

Galleon Gold Corp. announces closing of the previously announced brokered private placement (the "**Offering**"). The Offering was oversubscribed for gross proceeds of C\$8.0 million and consisted of the sale of the following:

- 28,870,667 units of the Company (the "**Units**") at a price of C\$0.12 per Unit;
- 10,402,987 flow-through units of the Company (the "**FT Units**") at a price of C\$0.135 per FT Unit; and
- 18,418,333 FT Units sold to charitable flow-through purchasers at a price of C\$0.17 per FT Unit.

The Offering was completed by a syndicate of agents led by Red Cloud Securities Inc. and included Cormark Securities Inc. (the "**Agents**").

Each Unit issued pursuant to the Offering consists of one common share in the capital of the Company and one common share purchase warrant (each, a "**Warrant**"). Each FT Unit consists of one flow-through common share of the Company and one Warrant. Each Warrant shall entitle the holder to purchase one additional common share at a price of C\$0.18 at any time on or before the date which is 36 months after the closing date of the Offering.

Eric Sprott, through 2176423 Ontario Ltd., a corporation which is beneficially owned by him, acquired 15,000,000 Units for C\$1.8 million under the Offering. After the closing of the Offering, Mr. Sprott now beneficially owns or controls 106,248,950 common shares and 25,000,000 common share purchase warrants representing approximately 22.9% on a non-diluted basis and 26.8% on a partially diluted basis assuming exercise of all such warrants. This, together with intervening treasury issuances of common shares, results in a decrease in holdings of approximately 4.1% of the outstanding common shares on a

partially diluted basis from what was reported in the most recent early warning report. Prior to the Offering, Mr. Sprott beneficially owned and controlled 91,248,950 common shares and 10,000,000 common share purchase warrants, representing approximately 22.5% on a non-diluted basis and 24.3% on a partially diluted basis.

ITEM 5. Full Description of Material Change

See attached news release.

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

Not applicable.

ITEM 7. Omitted Information

None.

ITEM 8. Executive Officer

R. David Russell, President, CEO, Chairman. T. 416-644-0066

ITEM 9. Date of Report

October 15, 2020



Galleon Gold Closes Oversubscribed C\$8.0 Million Brokered Private Placement, including a Lead Order from Eric Sprott

Not for distribution to United States newswire services or for dissemination in the United States

Toronto, Ontario, October 14, 2020 – Galleon Gold Corp. (the “**Company**”) (TSX-V:GGO) is pleased to announce that it has closed its previously announced brokered private placement (the “**Offering**”). The Offering was oversubscribed for gross proceeds of C\$8.0 million and consisted of the sale of the following:

- 28,870,667 units of the Company (the “**Units**”) at a price of C\$0.12 per Unit;
- 10,402,987 flow-through units of the Company (the “**FT Units**”) at a price of C\$0.135 per FT Unit; and
- 18,418,333 FT Units sold to charitable flow-through purchasers at a price of C\$0.17 per FT Unit.

The Offering was completed by a syndicate of agents led by Red Cloud Securities Inc. and included Cormark Securities Inc. (the “**Agents**”).

Each Unit issued pursuant to the Offering consists of one common share in the capital of the Company and one common share purchase warrant (each, a “**Warrant**”). Each FT Unit consists of one flow-through common share of the Company and one Warrant. Each Warrant shall entitle the holder to purchase one additional common share at a price of C\$0.18 at any time on or before the date which is 36 months after the closing date of the Offering.

The net proceeds from the sale of the Units will be used for exploration and general working capital purposes. The proceeds from the sale of the flow-through shares will be used for “Canadian exploration expenses” and will qualify as “flow-through mining expenditures” (the “**Qualifying Expenditures**”), as defined in subsection 127(9) of the *Income Tax Act* (Canada). The Company intends to renounce the Qualifying Expenditures to subscribers of flow-through shares for the fiscal year ended December 31, 2020.

Eric Sprott, through 2176423 Ontario Ltd., a corporation which is beneficially owned by him, acquired 15,000,000 Units for C\$1.8 million under the Offering. After the closing of the Offering, Mr. Sprott now beneficially owns or controls 106,248,950 common shares and 25,000,000 common share purchase warrants representing approximately 22.9% on a non-diluted basis and 26.8% on a partially diluted basis assuming exercise of all such warrants. This, together with intervening treasury issuances of common shares, results in a decrease in holdings of approximately 4.1% of the outstanding common shares on a partially diluted basis from what was reported in the most recent early warning report. Prior to the Offering, Mr. Sprott beneficially owned and controlled 91,248,950 common shares and 10,000,000 common share purchase warrants, representing approximately 22.5% on a non-diluted basis and 24.3% on a partially diluted basis.

The Units were acquired by Sprott for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of Galleon Gold including on the open market or through private acquisitions or sell securities of Galleon Gold including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other relevant factors.

A copy of Sprott's early warning report will appear on Galleon Gold profile on SEDAR and may also be obtained by calling Mr. Sprott's office at (416) 945-3294 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J1).

Certain insiders, directors and officers of the Company, including Mr. Sprott, subscribed for an aggregate of 15,000,000 Units under the Offering on the same terms as arm's length investors. The participation of the insiders, directors and officers 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 Company is exempt from the requirements to obtain a formal evaluation or minority shareholder approval in connection with the insider participation in reliance on sections 5.5 (a) and 5.7 (1) (a) of MI 61-101, as neither the fair market value of the securities issued, nor the fair market value of the consideration for the securities issued exceeds 25% of the Company's market capitalization as calculated in accordance with MI 61-101. The Company did not file a material change report containing all of the disclosure required by MI 61-101 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 Company wished to close the Offering as expeditiously as possible.

In connection with the Offering, the Agents received a cash commission of C\$458,779 and 3,284,679 non-transferable Agent Compensation Options, each entitling the Agents to purchase one Unit of the Company at a price of C\$0.12 per Unit until October 14, 2022. In addition, the Agents received an advisory fee of C\$15,221 and 126,840 non-transferable advisor warrants, each entitling the Agents to purchase one Unit of the Company at a price of C\$0.12 per Unit until October 14, 2022.

All of the securities issued under the Offering will be subject to a hold period of four months and one day from the closing of the Offering in accordance with applicable securities laws.

This news release does not constitute an offer of securities for sale in the United States. The securities offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

About Galleon Gold

Galleon Gold is a North American exploration and development company. Eric Sprott holds approximately 23% of the Company's outstanding common shares and is also the Company's partner on the Neal Gold Project in Idaho. The Company's flagship project, the West Cache Gold Project, is located 13 km from Timmins, Ontario.

FOR FURTHER INFORMATION:

Galleon Gold Corp.
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Chairman and CEO
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www.galleongold.com

Forward Looking Statements

Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Without limitation, statements regarding potential mineralization and resources, exploration results, expectations, plans, and objectives of Galleon Gold are forward-looking statements that involve various risks. The following are important factors that could cause Galleon Gold's actual results to differ materially from those expressed or implied by such forward-looking statements: changes in the world-wide price of mineral commodities, general market conditions, risks inherent in mineral exploration, risks associated with development, construction and mining operations, the uncertainty of future exploration activities and cash flows, and the uncertainty of access to additional capital. There can be no assurance that forward- looking statements will prove to be accurate as actual results and future events may differ materially from those anticipated in such statements. Galleon Gold undertakes no obligation to update such forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on such forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.