

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

Item 1 Name and Address of Company

Whitemud Resources Inc. ("**Whitemud**" or the "**Company**")
Suite 900, 332 - 6th Avenue SW
Calgary, Alberta T2P 0B2

Item 2 Date of Material Change

November 29, 2023

Item 3 News Release

A news release was issued and disseminated on November 29, 2023 via TheNewswire, and filed on SEDAR at www.sedar.com.

Item 4 Summary of Material Change

The board of directors has authorized the Company to take the necessary steps to undertake a proposed offering of rights that will entitle holders of common shares of the Company on the applicable record date to purchase up to \$10 million aggregate principal amount of unsecured subordinated debentures of the Company.

The offering will be used to fund a previously announced capital program for \$7 million to reconfigure its kaolin calcination process at its Wood Mountain facility, which includes amounts drawn against a previously announced interim loan of up to \$7 million by SAM Holdings Ltd., the Company's major shareholder.

Whitemud also to announced recent changes to its board of directors. The board is now comprised of Stan Owerko, Vince Davoli, Randy Findlay, Stanley Odut and Kelly Soucy.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company's board of directors has authorized the Company to take the necessary steps to undertake a proposed offering (the "**Offering**") of rights (the "**Rights**") that will entitle holders of common shares ("**Common Shares**") of the Company on the applicable record date to purchase up to \$10 million aggregate principal amount of unsecured subordinated debentures of the Company (the "**Debentures**"). The Debentures will have a maturity date five years after issuance thereof and will bear interest at a rate of 8.5% per annum. Interest will be payable quarterly in arrears in equal installments. It is expected that, as a loan bonus, debenture holders will each be issued one warrant ("**Warrant**") for each dollar of Debenture held. The Company will issue up to a maximum of ten million Warrants. The Warrants will (i) have an exercise price equal to the then current Market Price of the common shares; (ii) entitle the holder to receive one common share on exercise; (iii) have a term of five years; and (iv) be non-transferable. Pursuant to TSX Venture Exchange ("**TSXV**") policy, the term of the Warrants may be

shortened on early repayment of all or a portion of the indebtedness under the Debentures.

The Offering is still subject to TSXV approval. The Company intends to announce pricing and more detailed terms concurrently with the filing of a preliminary prospectus.

SAM Holdings Ltd. (“**SAM**”), a 44% shareholder of the Company has advised the Company that it intends to subscribe for its proportionate share of the Rights. Should subscriptions fall below the maximum available, SAM will subscribe for its proportionate share of the Rights actually issued by the Company.

The Company expects to qualify the Debentures and Warrants by the filing of a short form prospectus and the current intention of the Company is to file a preliminary prospectus with respect to the Offering in Q1, 2024.

The Offering will be used to fund a previously announced capital program for \$7 million to reconfigure its kaolin calcination process at its Wood Mountain facility, which includes amounts drawn against a previously announced interim loan (the “**Loan**”) of up to \$7 million by SAM Holdings Ltd., the Company’s major shareholder, which loan is at 5% interest per annum, secured by a general security agreement and to be drawn down as required. The Loan and the terms of the Offering are subject to TSXV approval.

Whitemud announced recent changes to its board of directors. The board is now comprised of Stan Owerko, Vince Davoli, Randy Findlay, Stanley Odut and Kelly Soucy. The board has established an Audit Committee comprised of Messrs. Findlay, Odut and Soucy, a Compensation, Human Resources and Health Safety and Environment Committee comprised of Messrs. Davoli, Odut, Findlay and Owerko and a Governance Committee comprised of Messrs, Findlay, Davoli and Soucy.

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

Not applicable.

Item 8 Executive Officer

Stan Owerko, Chief Executive Officer
(403) 200-5253

Item 9 Date of Report

December 5, 2023