

Form 51 – 102F3

Material Change Report

1. **Name and Address of Company**

Canada Silver Cobalt Works Inc.
3028 Quadra Court
Coquitlam, British Columbia
V3B 5X6

2. **Date of Material Change**

December 21, 2021.

3. **News Release**

Canada Silver Cobalt Works Inc. (the “**Company**” or “**Canada Silver Cobalt**”) issued a news release with respect to the material change described herein via TheNewswire on December 21, 2021.

4. **Summary of Material Change**

Canada Silver Cobalt has completed its previously announced marketed private placement offering by raising total gross proceeds of approximately \$3.42 million.

5. **Full Description of Material Change**

5.1 **Full Description of Material Change**

Canada Silver Cobalt has completed its previously announced marketed private placement offering by raising total gross proceeds of approximately \$3.42 million, including the partial exercise of the option to increase the size of the offering, consisting of: (i) 5,904,578 flow-through common shares of the Company (the “**Federal FT Shares**”) that will qualify as “flow-through shares” within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “**Tax Act**”), at a price of \$0.23 per Federal FT Share, and (ii) 8,595,883 Québec flow-through common shares of the Company (the “**Québec FT Shares**”) that will qualify as “flow-through shares” within the meaning of subsection 66(15) of the Tax Act and section 359.1 of the Taxation Act (Québec), at a price of \$0.24 per Québec FT Share.

The offering was conducted on a "best efforts" agency basis and was co-led by Research Capital Corporation, as sole bookrunner, and Canaccord Genuity Corp. (the “**Agents**”).

The proceeds from the issue and sale of the Federal FT Shares and Québec FT Shares will be used to incur Canadian Exploration Expenses and “flow-through mining expenditures” as defined in subsection 127(9) of the Tax Act and under section 359.1 of the Taxation Act (Québec) (the “**Qualifying Expenditures**”) on the Company’s Castle property and Graal property, which will be incurred on or before December 31, 2022 and renounced with an effective date no later than December 31, 2021 to the initial purchasers of Federal FT Shares and Québec FT Shares in an aggregate amount not less than the gross proceeds raised from the offering of Federal FT Shares and Québec FT Shares.

In connection with the offering, the Company paid the Agents a cash commission of \$144,974, representing 7% (reduced to 3.5% for certain subscribers on the Company's president's list) of the gross proceeds from the offering and issued compensation warrants to the Agents entitling them to purchase an aggregate of 616,842 common shares in the capital of the Company at an exercise price of \$0.24 for a period of two years from closing of the offering. In addition, the Company paid to GloRes Securities Inc. a cash finder's fee of \$87,500 and 367,753 finder's warrants for introducing subscribers to the Company on the same terms as the Agents' compensation warrants.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

The executive officer who can answer questions regarding this report is Mr. Frank Basa, Chief Executive Officer of the Company. Mr. Basa can be reached at (416) 625-2342.

9. Date of Report

December 21, 2021.