

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Boreal Metals Corp. (the “**Company**”)
Suite 340 - 233 West 1st Street
North Vancouver, BC V7M 1B3

Item 2 Date of Material Change

August 13, 2020

Item 3 News Release

News release dated August 14, 2020 was disseminated through Cision and filed on SEDAR with applicable securities commissions.

Item 4 Summary of Material Change

On August 14, 2020, the Company announced that it had closed its previously announced non-brokered private placement (the “**Private Placement**”) and shares for debt transactions (the “**Shares for Debt Transactions**”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please see the attached news release of August 14, 2020.

The issuance of securities to EMX Royalty Corporation (“**EMX**”) and to Patricio Varas, Executive Chairman and CEO of the Company, as part of the Shares for Debt Transactions, each constituted a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) and Policy 5.9 – *Protection of Minority Security Holders in Special Transactions* of the TSX Venture Exchange (the “**Related Party Transactions**”). In respect of each such securities issuance, the Company is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 in reliance on sections 5.5(a) and 5.7(1)(a), respectively, of MI 61-101, as neither the fair market value of the units issued to EMX (the “**EMX Units**”) nor the fair market value of the units issued to Mr. Varas (the “**Varas Units**”), nor the fair market value of the consideration in either case therefor, exceeds 25% of the Company’s market capitalization. The Board of Directors of the Company approved the issuance of the EMX Units and the Varas Units as part of the Shares for Debt Transactions, with Eric Jensen abstaining from the approval of the issuance of the EMX Units and Patricio Varas abstaining from the approval of the issuance of the Varas Units. The Company did not file a material change report 21 days prior to completion of the Related Party Transactions so as to be able to improve its financial position by reducing its accrued liabilities as soon as possible.

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

Patricio Varas, Executive Chairman and CEO
Phone: +1.604.922.8810

Item 9 Date of Report

August 24, 2020

August 14, 2020

BOREAL CLOSES PRIVATE PLACEMENT AND SHARES FOR DEBT TRANSACTIONS

Vancouver, B.C., August 14, 2020. Boreal Metals Corp. ("**Boreal**" or the "**Company**") (TSXV:BMX) is pleased to announce that it has closed its previously announced non-brokered private placement (the "**Private Placement**") with a lead order from Palisades Goldcorp Ltd., and has also closed its previously announced shares for debt transactions (the "**Shares for Debt Transactions**").

Private Placement

Under the Private Placement, 47,155,376 units of the Company ("**Units**") were issued at \$0.055 per Unit for total gross proceeds to Boreal of \$2,593,545.69. Each Unit consists of one common share (a "**Common Share**") and one common share purchase warrant (a "**Warrant**"), with each Warrant being exercisable for one additional Common Share at a price of \$0.11 for a period of 24 months from the date of issue.

All securities issued under the Private Placement are subject to a statutory hold period expiring four months and one day from the issue date. The TSX Venture Exchange has conditionally approved the Private Placement, subject to customary final filings.

In connection with the Private Placement, the Company paid certain arm's length finders, finders' fees totaling \$18,480 and 336,000 Units.

The proceeds of the Private Placement will be used to fund exploration, including drilling activities, at the Company's 100% owned Gumsberg property, and for general working capital purposes, including the payment of management and consulting fees to certain parties. Advancing the Company's 100% owned, 18,300 hectare Gumsberg property remains the Company's primary objective. Boreal intends to continue drilling the Östra Silvberg prospect and plans to expand the 2019 Östra Silvberg South Discovery (News Release July 9, 2019). Drilling at Östra Silvberg by Boreal between 2017 and 2019 returned significant high-grade intercepts, including 10.94 metres of 656.7 g/t silver, 16.97% zinc, 8.52% lead and 0.76 g/t gold, as well as 11.01 metres of 275 g/t silver, 7.45% zinc, 2.65% lead and 0.77 g/t gold.

Shares for Debt Transactions

Pursuant to the Shares for Debt Transactions, the Company has issued an aggregate 2,305,273 Units to certain parties as described below, and an aggregate 7,368,304 Units to EMX Royalty Corporation ("**EMX**").

Pursuant to the Shares for Debt Transactions, Patricio Varas, Executive Chairman and CEO of the Company, received 1,650,000 Units in repayment of certain funds advanced to Boreal for operational expenses. In addition, Johannes Holzäpfel, of EMX, received 178,000 Units, and Richard Mills, of Northern Venture Group Ltd., received 477,273 Units; in all cases, as consideration for certain past services rendered to Boreal.

August 14, 2020

The 7,368,304 Units issued to EMX facilitated: (i) an immediate reduction in the amount of debt owed by the Company to EMX from \$800,000 plus accrued interest and fees, to \$482,113.28, (ii) a 6-month extension of the maturity date applicable to the remaining balance of such debt, to May 25, 2021, and (iii) EMX maintaining its current 12.89% ownership interest in the Company on a non-diluted basis, following completion of the Private Placement and Shares for Debt Transactions.

The Units issued pursuant to the Shares for Debt Transactions were issued at a deemed price of \$0.055 per Unit, with each Unit consisting of one Common Share and one Warrant bearing the same terms as the Warrants issued on the Private Placement. All securities issued under the Shares for Debt Transactions are subject to a four month hold period from the date of issuance.

About Boreal Metals Corp.

Boreal is a mineral exploration company focused on the discovery of silver, zinc, copper, and gold deposits in exceptional, historical mining project areas spanning Sweden and Norway. The Company aims to discover new economic mineral deposits in known mining districts that have seen little or no modern exploration techniques. The Company is led by experienced management and technical teams, with successful track records in mineral discovery, mining development and financing.

About Palisades Goldcorp.

Palisades Goldcorp is Canada's new resource focused merchant bank. Palisades' management team has a demonstrated track record of making money and is backed by many of the industry's most notable financiers. With junior resource equities valued at generational lows, management believes the sector is on the cusp of a major bull market move. Palisades is positioning itself with significant stakes in undervalued companies and assets with the goal of generating superior returns.

Qualified Person

Daniel MacNeil, P.Geol, a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, has read and approved all technical and scientific information contained in this news release. Mr. MacNeil is Vice President Exploration for Boreal.

On behalf of Boreal Metals Corp.

Patricio Varas, Executive Chairman and CEO

For more information on Boreal please visit the Company website at www.borealmetals.com or contact us at +1.604.922.8810 or info@borealmetals.com.

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

August 14, 2020

Cautionary Note Regarding Forward-Looking Statements

This news release contains certain statements that may be deemed "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Forward-looking statements may include, without limitation, statements relating to future outlook and anticipated events, such as the anticipated use of proceeds of the Private Placement by the Company. Although Boreal believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, are subject to risks and uncertainties, and actual results or realities may differ materially from those in the forward-looking statements. Such material risks and uncertainties include, but are not limited to, Boreal's ability to raise sufficient capital to maintain its mineral tenures and concessions in good standing, to explore and develop its projects, to repay its debt and for general working capital purposes; changes in economic conditions or financial markets; the ability of Boreal to obtain the necessary permits and consents required to explore, drill and develop the projects and if obtained, to obtain such permits and consents in a timely fashion relative to Boreal plans and business objectives for the projects; the general ability of Boreal to drill test its projects and find mineral resources; if any mineral resources are discovered or acquired, the Company's ability to monetize any such mineral resources; and changes in environmental and other laws or regulations that could have an impact on the Company's operations. Forward-looking statements are based on the reasonable beliefs, estimates and opinions of Boreal management on the date the statements are made. Except as required by law, Boreal undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.