FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Clean Air Metals Inc. (the "**Company**")
100 King Street West, Suite 3400
Toronto, ON
M5X 1A4

Item 2 Date of Material Change

July 3, 2024

Item 3 News Release

A news release with respect to the material change referred to in this report was issued by the Corporation through Accesswire on July 3, 2024 and a copy was subsequently filed under the Company's profile on the System for Electronic Document Analysis and Retrieval Plus (SEDAR+) at www.sedarplus.ca.

Item 4 Summary of Material Change

On July 3, 2024, the Company closed a non-brokered private placement for total proceeds of approximately $440,015 (the "**Offering**"), of 8,000,272 flow-through units ("**FT Units**"), at a price of $0.055. In connection with the Offering, Red Cloud Securities Inc. ("**Red Cloud**") acted as a finder, connecting the Company with certain subscribers.

Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "**Warrant**") that qualifies as a flow-through share (within the meaning of subsection 66(15) of the *Income Tax Act (Canada)*). Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.08 for a period of 2 years following the closing of the Offering.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On July 3, 2024, the Corporation closed a non-brokered private placement for total proceeds of approximately $440,015, of 8,000,272 FT Units, at a price of $0.055. In connection with the Offering, Red Cloud acted as a finder, connecting the Company with certain subscribers.

Each FT Unit consists of one common share of the Company and one-half of one Warrant that qualifies as a flow-through share (within the meaning of subsection 66(15) of the *Income Tax Act (Canada)*). Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.08 for a period of 2 years following the closing of the Offering.

The gross proceeds of the FT Units will be used to incur eligible "Canadian exploration expenses" that will qualify as "flow-through mining expenditures" as such terms are defined in the Income Tax Act (Canada) (the "**Qualifying Expenditures**") related to the Company's projects in Ontario. All Qualifying Expenditures will be renounced in favour of the subscribers of the FT Units effective December 31, 2024.

In consideration for their services Red Cloud is entitled to a payment of $24,000.90 from the Company. Red Cloud is also entitled to 509,110 non-transferable common share purchase warrants (each a "**Compensation Warrant**"). Each Compensation Warrant entitles Red Cloud to purchase a common share of the Company at $0.055 per common share for 24 months following the date of issuance.

Any securities issued under the Offering will be subject to a statutory hold period of four months and one day from the date of issuance.

Certain insiders of the Company have subscribed for an aggregate 727,272 FT Units for gross proceeds of $40,000. Each subscription by an "insider" is considered to be 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 has completed the Offering in reliance on exemptions available under MI 61-101 from the formal valuation and minority approval requirements of MI 61-101. Specifically, the Offering is exempt from the formal valuation requirement in Section 5.4 of MI 61-101 in reliance on Section 5.5(b) of MI 61-101 as the Company is not listed on a specified market within the meaning of MI 61-101. Additionally, the Offering is exempt from the minority approval requirement in Section 5.6 of MI 61-101 in reliance on Section 5.7(1)(a) of MI 61-101 insofar as neither the fair market value of the subject matter of nor the fair market value of the consideration for, the Offering insofar as it involves (or is expected to involve) "interested parties", exceeds 25% of the Company's market capitalization. The Company did not file a material change report more than 21 days before the expected closing date of the Offering as the details of the Offering and the participation therein by each "related party" of the Company were not settled until shortly before the closing of the Offering. The Company wished to close the Offering expeditiously for sound business reasons.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

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

No information has been omitted from this report on the basis that it is confidential information.

Item 8 **Executive Officer**

The following executive officer of the Corporation is knowledgeable about the material change and this report and may be contacted as follows:

For further information, please contact Mike Garbutt, Chief Executive Officer, Phone: (707) 207-2111, Email: mgarbutt@cleanairmetals.ca

Item 9 **Date of Report**

July 15, 2024