51-102F3
MATERIAL CHANGE REPORT [F]

Item 1 Name and Address of Company

True Grit Resources Ltd. (the "**Company**")
c/o Suite 404 – 999 Canada Place
Vancouver, BC V6C 3E2

Item 2 Date of Material Change

May 31, 2017.

Item 3 News Release

The news release dated June 31, 2017 was issued by Stockwatch and Market News.

Item 4 Summary of Material Change

The Company announced that various creditors agreed to settle debt (the "**Debt Settlement**") in the aggregate amount of $363,000 in consideration of the issuance of an aggregate of 7,260,000 common shares of the Company (each, a "**Share**") and 2,730,000 share purchase warrants (each, a "**Warrant**"), with each Warrant entitling the holder to purchase one additional Share for a period of one year at a price of $0.10 per Share.

The Company received the approval of the Debt Settlement from the TSX Venture Exchange and issued the Shares and Warrants on May 31, 2017. The securities are subject to a statutory hold period of four months and one day.

Each of Allan Williams and David McCue are considered to be a "related party" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and each issuance was considered to be a "related party transaction" within the meaning of MI 61-101 but each was exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b), the issuance to Allan Williams was exempt from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 and the issuance to David McCue was exempt from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in section 5.7(e) of MI 61-101.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in Item 4 above and in the News Release filed on SEDAR at www.sedar.com.

<u>Disclosure Required by MI 61-101</u>

Pursuant to MI 61-101, the Debt Settlement constituted a "related party transaction", in part, as certain directors and officers of the Company participated in the Debt Settlement.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

See Item 4 above for a description of the Debt Settlement.

(b) the purpose and business reasons for the transaction:

The purpose of the Debt Settlement is to reduce the Company's liabilities while preserving its cash.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The Company does not anticipate any material effect on the Company's business and affairs.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Allan Williams, the Chief Financial Officer and a director of the Company, was issued 700,000 Shares in settlement of $35,000 worth of debt.

David McCue, a director of the Company, was issued 1,100,000 Shares in settlement of $55,000 worth of debt.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

The following table sets out the effect of the Debt Settlement on the percentage of securities of the Company beneficially owned or controlled by each of Messrs. Williams and McCue:

Name and Position	Dollar Amount of Debt Settled	Number of Securities Purchased	No. of Shares Held prior to Closing of the Debt Settlement	Percentage of Issued and Outstanding Shares prior to Closing of the Debt Settlement	No. of Shares Held After Closing of the Debt Settlement	Percentage of Issued and Outstanding Shares After Closing of the Debt Settlement
Allan Williams Chief Financial Officer and Director	$35,000	700,000 Shares	Undiluted: 718,500(1) Diluted: 818,500(2)	Undiluted: 9.7%(3) Diluted: 10.9%(4)	Undiluted: 1,418,500(5) Diluted: 1,518,500(6)	Undiluted: 9.6%(7) Diluted: 10.3%(8)
David McCue Director	$55,000	1,100,000 Shares	Undiluted: 437,766 Diluted: 537,766(9)	Undiluted: 5.9%(3) Diluted: 7.1%(4)	Undiluted: 1,537,766 Diluted: 1,637,766(10)	Undiluted: 10.5%(7) Diluted: 11.1%(8)

(1) These shares are held indirectly by Neon Rainbow Holdings Ltd. ("**Neon**"), a company wholly owned by Allan Williams.

(2) Comprised of: (i) 718,500 Shares held indirectly by Neon and, (ii) 100,000 stock options (each, an "**Option**") held directly, each of which is exercisable into one Share at a price of $0.05 per Share until February 18, 2020.

(3) Based on 7,442,412 Shares outstanding prior to the completion of the Debt Settlement.

(4) Based on 7,542,412 Shares outstanding on a partially-diluted basis prior to the completion of the Debt Settlement, comprised of: (i) 7,442,412 Shares outstanding prior to the completion of the Debt Settlement and, (ii) 100,000 Shares that may be issued on exercise of Options held directly.

(5) Comprised of: (i) 700,000 Shares held directly, and (ii) 718,500 Shares held indirectly by Neon.

(6) Comprised of: (i) 700,000 Shares held directly, (ii) 718,500 Shares held indirectly by Neon, and (iii) 100,000 Options held directly.

(7) Based on 14,702,412 Shares outstanding following the completion of the Debt Settlement.

(8) Based on 14,802,412 Shares outstanding on a partially diluted-basis following the completion of the Debt Settlement, comprised of: (i) 14,702,412 Shares outstanding following the completion of the Debt Settlement and, (ii) 100,000 Shares that may be issued on exercise of Options held directly.

(9) Comprised of: (i) 437,766 Shares held directly and, (ii) 100,000 Options held directly, each of which is exercisable into one Share at a price of $0.05 per Share until February 18, 2020.

(10) Comprised of: (i) 1,537,766 Shares held directly and, (ii) 100,000 Options held directly.

(d) *unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:*

Each of Messrs. Williams and McCue abstained on the resolution of the board of directors approving the Debt Settlement with respect to their own Share subscriptions. A special committee was not established in connection with the approval of the Debt Settlement, and no materially contrary view or abstention was expressed or made by any director.

(e) *a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:*

Not applicable.

(g) *disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:*

(i) *that has been made in the 24 months before the date of the material change report:*

Not applicable.

(ii) *the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:*

Not applicable.

(h) *the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:*

The Company entered into a debt settlement and subscription agreement with Mr. Williams pursuant to which Mr. Williams agreed to acquire 700,000 Shares in settlement of $35,000 worth of debt.

The Company entered into a debt settlement and subscription agreement with Mr. McCue pursuant to which Mr. McCue agreed to acquire 1,100,000 Shares in settlement of $55,000 worth of debt.

(i) *disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:*

The Debt Settlement is exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(b) as the Company's shares are not listed on a specified market, the issuance to Allan Williams was exempt from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the shares issued to Mr. Williams did not exceed 25% of the Company's market capitalization and the issuance to David McCue was exempt from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in section 5.7(e) of MI 61-101.

As this material change report was filed following the closing of the Debt Settlement (and therefore less than 21 days before the closing of the Debt Settlement), there is a requirement under MI 61-101 to explain why the shorter period is reasonable or necessary in the circumstances. In the view of the Company, such shorter period is reasonable and necessary in the circumstances because the Company wished to comlete the Debt Settlement in a timely manner.

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

None.

Item 8 Executive Officer

Byron Coulthard, President and Chief Executive Officer, 604.657.7004.

Item 9 Date of Report

June 1, 2017.

TRUE GRIT RESOURCES LTD.
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NEWS RELEASE

TRUE GRIT ANNOUNCES CLOSING OF DEBT SETTLEMENT

VANCOUVER, BC – June 1, 2017 - True Grit Resources Ltd. ("the **Company**") (NEX: TGI.H) is pleased to announce that various creditors agreed to settle debt (the "**Debt Settlement**") in the aggregate amount of $363,000 in consideration of the issuance of an aggregate of 7,260,000 common shares of the Company (each, a "**Share**") and 2,730,000 share purchase warrants (each, a "**Warrant**"), with each Warrant entitling the holder to purchase one additional Share for a period of one year at a price of $0.10 per Share.

The Company received the approval of the Debt Settlement from the TSX Venture Exchange and issued the Shares and Warrants on May 31, 2017. The securities are subject to a statutory hold period of four months and one day.

Pursuant to Part 3.1 of National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues ("**NI 62-103**"), on May 31, 2017, the Company's Chief Financial Officer and director, Allan Williams, acquired 700,000 Shares in the Debt Settlement. Prior to the Debt Settlement, Mr. Williams owned 718,500 Shares indirectly through Neon Rainbow Holdings Ltd. ("**Neon**") and 100,000 stock options (representing 10.9% of the issued and outstanding Shares on a partially diluted basis). Upon completion of the Debt Settlement, Mr. Williams owned 700,000 Shares directly, 718,500 Shares indirectly through Neon and 100,000 stock options (representing 10.3% of the issued and outstanding Shares on a partially diluted basis). Mr. Williams acquired the Shares for investment purposes. Depending on economy or market conditions or matters relating to the Company, Mr. Williams may choose to either acquire or dispose of securities of the Company.

Pursuant to NI 61-103 on May 31, 2017, David McCue, a director of the Company, acquired 1,100,000 Shares in the Debt Settlement. Prior to the Debt Settlement, Mr. McCue owned 437,766 Shares directly and 100,000 stock options (representing 7.1% of the issued and outstanding Shares on a partially diluted basis). Upon completion of the Debt Settlement, Mr. McCue owned 1,537,766 Shares directly and 100,000 stock options (representing 11.1% of the issued and outstanding Shares on a partially diluted basis). Mr. McCue acquired the Shares for investment purposes. Depending on economy or market conditions or matters relating to the Company, Mr. McCue may choose to either acquire or dispose of securities of the Company.

Each of Allan Williams and David McCue are considered to be a "related party" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and each issuance was considered to be a "related party transaction" within the meaning of MI 61-101 but each was exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) of MI 61-101, the issuance to Allan Williams was exempt from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 and the issuance to David McCue was exempt from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in section 5.7(e) of MI 61-101.

ON BEHALF OF THE BOARD
TRUE GRIT RESOURCES LTD.

"Byron Coulthard"
Byron Coulthard
President, CEO and director

For further information, please contact Byron Coulthard at (604) 657-7004.

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