

FORM 51-102F3
MATERIAL CHANGE REPORT
UNDER SECTION 7.1 OF NATIONAL INSTRUMENT 51-102

ITEM 1 **NAME AND ADDRESS OF COMPANY**

Cyon Exploration Ltd. (the “Company”)
400 – 999 Canada Place
Vancouver, BC V6C 3C1

ITEM 2 **DATE OF MATERIAL CHANGE**

August 5, 2021

ITEM 3 **NEWS RELEASE**

News releases dated August 5, 2021 was disseminated through TheNewswire.

ITEM 4 **SUMMARY OF MATERIAL CHANGE**

The Company announced that it has acquired (the “Acquisition”) all the issued and outstanding common shares of Gold State Resources Inc. (“Gold State”) from the shareholders of Gold State (the “Shareholders”) pursuant to a share exchange agreement dated August 5, 2021 (the “Share Exchange Agreement”).

Pursuant to the terms of the Share Exchange Agreement, as consideration for the sale and transfer of the all the common shares of Gold State to the Company, the Company issued to the Shareholders an aggregate of 25,000,000 common shares of the Company. In addition, the Company will issue 10,000,000 shares of the Company to the Shareholders for every 1,000,000 ounces of gold resource proven through a resource estimate on the Jumping Jack Property interest acquired in the Share Exchange Agreement.

ITEM 5 **FULL DESCRIPTION OF MATERIAL CHANGE**

5.1 **Full Description of Material Change**

The Company announced that, further to its news release dated June 29, 2021, it acquired all the issued and outstanding common shares of Gold State from the Shareholders of Gold State) pursuant to a Share Exchange Agreement dated August 5, 2021. The transaction was arm’s length and no finder’s fee is payable.

Gold State, through its subsidiary, Jumping Jack Exploration Inc. (“Jumping Jack”), is a party to an option agreement (the “Option Agreement”) for the acquisition of up to a 65% interest in certain mineral claims known as the Jumping Jack Property (the “Property”) (formerly referred to as the Longface Property in the June 29, 2021 press release). The Property comprises 132 lode claims totaling 1,068 Ha (2,640 Acres) and is located in the Moors Creek mining district of Nye County, Nevada, approximately 55 miles north of Tonopah. The Property is situated along the eastern margin of the Walker Lane Gold Trend, ten miles north of Kinross Gold Corporation’s well-known Round Mountain Gold Mine, and is five miles north of the nearest Round Mountain open pit. The Property is

ten miles south of the Northumberland Gold Mine that was active in the 1980s and 1990s. The United States Geological Survey Mineral Resource Data System has reported the total metal content of the Round Mountain gold system to be approximately 20 million ounces of gold.

Pursuant to the terms of the Option Agreement, Jumping Jack has the exclusive right to earn an undivided 65% interest in and to the Property by making exploration expenditures totaling US\$5.25 million over three and a half (3.5) years. More specifically, the exploration expenditure breakdown is US\$750,000 by March 4, 2022, an additional US\$1,750,000 by March 4, 2023, and an additional US\$3,000,000 by March 4, 2024. Upon completion of the work commitments, Jumping Jack will have earned a 65% interest in and to the Property. The Option Agreement also allows Jumping Jack a right to acquire the remaining 35% interest in and to the Property on terms to be negotiated and determined in the future. In addition, the Option Agreement calls for a 2% NSR tied to the Property pursuant to which 1% may be purchased at a cost of US\$1,000,000.

Pursuant to the terms of the Share Exchange Agreement, as consideration for the sale and transfer of the all the common shares of Gold State to the Company, the Company issued to the Shareholders an aggregate of 25,000,000 common shares of the Company. In addition, the Company will issue 10,000,000 shares of the Company to the Shareholders for every 1,000,000 ounces of gold resource proven on the Property through a resource estimate.

None of the securities issued in connection with the Acquisition will be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This material change report shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

Brian G. Thurston, P.Geo., the Company's President and CEO and a qualified person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects, reviewed and approved the technical information in the news release.

ITEM 6 **RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102**

N/A

ITEM 7 **OMITTED INFORMATION**

N/A

ITEM 8 **EXECUTIVE OFFICER**

Brian Thurston, President and Chief Executive Officer
Telephone: (778) 928-6565

ITEM 9 **DATE OF REPORT**

Dated at Vancouver, British Columbia, this 5th day of August, 2021.