FORM 51-102F3
MATERIAL CHANGE REPORT

1. <u>NAME AND ADDRESS OF COMPANY</u>

Melior Resources Inc.
120 Adelaide Street West, Suite 2500
Toronto, ON M5H 1T1

2. <u>DATE OF MATERIAL CHANGE</u>

February 17, 2021

3. <u>NEWS RELEASE</u>

News release dated February 18, 2021 was disseminated via the facilities of a news wire service.

4. <u>SUMMARY OF MATERIAL CHANGE</u>

Melior Resources Inc. enters into amalgamation agreement with Ranchero Gold Corp.

5. <u>FULL DESCRIPTION OF MATERIAL CHANGE</u>

Melior Resources Inc. (the "**Company**" or "**Melior**") announces that it has entered into an amalgamation agreement dated February 17, 2021 (the "**Amalgamation Agreement**") with Ranchero Gold Corp. ("**Ranchero**") and 1274169 B.C. Ltd. ("**Subco**"), a wholly-owned subsidiary of the Company, pursuant to which the Company proposes to acquire all of the issued and outstanding securities of Ranchero by way of a three-cornered amalgamation (the "**Transaction**"), as more particularly described in the Company's news release dated November 2, 2020.

Under the terms of the Amalgamation Agreement, Ranchero will amalgamate with Subco, and the Company will acquire all of the outstanding common shares of Ranchero in exchange for post-consolidation common shares of Melior (the "**Resulting Issuer Shares**") on the basis of one Resulting Issuer Share for one common share of Ranchero. The completion of the Transaction is subject to a number of conditions precedent, as described in the news release of the Company dated November 2, 2020.

As announced in the press release of the Company dated November 2, 2020, it is anticipated that prior to the closing of the Transaction Pala Investments Limited ("**Pala**") will convert a material portion of the outstanding indebtedness owing by the Company to Pala into common shares of the Company and forgive or assign any remaining indebtedness. It is a condition to the closing of the Transaction that the Company is released from all liabilities associated with its indebtedness to Pala.

Subsequent to the conversion of Pala's existing indebtedness and prior to the completion of the Transaction, Melior intends to consolidate its common shares (the "**Consolidation**") on the basis of approximately 32.6764 pre-consolidation common shares for one post-consolidation common share of Melior. In accordance with the policies of the TSX Venture Exchange (the "**TSXV**"), Melior intends to obtain the written consent of shareholders of Melior holding greater than 50% of the issued and outstanding common shares of Melior to the Consolidation.

It is also anticipated that the Company will change its name to "Ranchero Gold Corp." upon the completion of the Transaction. The name of the amalgamated entity will be "Ranchero BC Holding Corp.", or such other name determined by Ranchero, and it will continue to subsist under the *Business Corporations Act* (British Columbia).

Ranchero intends to complete a private placement (the "**Concurrent Financing**") of subscription receipts of Ranchero (each, a "**Subscription Receipt**") prior to the completion of the Transaction at a purchase price of $0.55 per Subscription Receipt for aggregate gross proceeds of up to $5,000,000, subject to an over-allotment option exercisable by Haywood Securities Inc. for an additional $1,000,000 of Subscription Receipts at any time up to 48 hours prior to the closing date of the Concurrent Financing, as more particularly described in the news release of the Company dated November 2, 2020.

It is currently anticipated that the Transaction will close late March or early April of 2021.

The Transaction will constitute an arm's length reverse take-over pursuant to the policies of the TSXV, and following the Transaction, it is anticipated that the Company will be a Tier 2 Mining Issuer on the TSXV. Trading in the Company's shares is currently halted. The Company's shares will commence trading on closing of the Transaction, or earlier if permitted by the TSXV.

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

Not applicable

7. OMITTED INFORMATION

Not applicable

8. EXECUTIVE OFFICER

Martyn Buttenshaw, CEO
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9. DATE OF REPORT

February 23, 2021