

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

Otso Gold Corp. (the “**Company**”)
c/o Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Item 2 **Date of Material Change**

February 8, 2021.

Item 3 **News Release**

A press release disclosing the material change was disseminated on February 8, 2021 through the facilities of Newswire and filed under the Company’s profile on SEDAR at www.sedar.com.

Item 4 **Summary of Material Change**

On February 8, 2021, the Company announced that it had closed its previously announced arm’s length financing with Brunswick Gold Ltd (“**BGL**” or “**Brunswick Gold**”), for a strategic investment of US\$11 million in the Company (the “**Financing**”). Pursuant to the Financing, Brunswick Gold was issued 284,944,440 units of the Company (each a “**Unit**” and collectively, the “**Units**”) at an issue price of \$0.05 per Unit.

25,904,020 of such Units were used to settle the principal on the US\$1 million unsecured loan (the “**Loan**”) owed to Brunswick Gold.

Each Unit consists of one common share of the Company (each a “**Common Share**”) and one Common Share purchase warrant (each a “**Warrant**”). Each Warrant will entitle BGL to purchase one Common Share at an exercise price equal to \$0.05 per Warrant for five years from the date of issuance.

The net proceeds from the Financing after repayment of the Loan will fund the Company to enable it to restart its detailed directional diamond drilling program to inform a robust geological model, updated technical report, detailed mine plan as well as upgrades on site to underpin the previously announced return to production.

Upon completion of the Financing, the Company’s board of directors (the “**Board**”) was reconstituted to include seven directors – namely Brian Wesson, Clyde Wesson, Yvette Harrison and four new BGL nominees, including Vladimir Lelekov, Nicolas Pascault, Victor Koshkin and Martin Smith. Additionally, Mr. Lelekov has been appointed as Chairperson of the Board. To facilitate the incoming Board members, Christopher Towsey resigned as a director of the Company and will remain as a consultant to Otso.

On completion of the Financing, B&A Wesson Pty Ltd (“**B&A**”) and C&C Wesson Pty Ltd (“**C&C**”) were issued an aggregate of 32,380,050 “top-up” Common Shares and PFL Raahe Holdings LP (“**PFL**”) was issued 31,909,280 “top-up” Common Shares. Accordingly, as a result of the Financing, on a non-diluted basis, Brunswick Gold now owns 46.03% of the Common Shares; PFL now owns 12.79% of the Common Shares and each of B&A and C&C now own 6.69% of the Common Shares.

In connection with the 31,909,280 Common Shares issued to PFL on closing, such issuance fully settles the Company’s outstanding debt to PFL in the amount of US\$1,231,826.21.

Item 5 **Full Description of Material Change**

A copy of the Company’s press release dated February 8, 2021 is attached hereto as Schedule “A”.

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**

The following executive officer of the Company is knowledgeable about the material change disclosed in this report:

Clyde Wesson, Vice President
Telephone: 1 917 287 0716

Item 9 **Date of Report**

February 9, 2021

SCHEDULE "A"



OTSO GOLD
MANAGED BY LIONSBRIDGE

Toronto, ON, February 8, 2021

Trading Symbol: TSX-V: OTSO

NEWS RELEASE

OTSO COMPLETES US\$11 MILLION STRATEGIC INVESTMENT AND BEGINS TO MOVE TO PRODUCTION

Toronto, ON. – Otso Gold Corp. ("**Otso**" or the "**Company**"), (TSX.V:OTSO) is pleased to announce that it has now closed its previously announced arm's length financing with Brunswick Gold Ltd ("**Brunswick Gold**") for a strategic investment of US\$11 million in the Company (the "**Financing**"). Pursuant to the Financing, Brunswick Gold was issued 284,944,440 units (each, a "**Unit**"), at an issuance price equal to \$0.05 per Unit. 25,904,020 of such Units were used to settle the principal on the US\$1 million unsecured loan (the "**Loan**") owed to Brunswick Gold.

The net proceeds from the Financing after repayment of the Loan will fund the Company to enable it to restart its detailed directional diamond drilling program to inform a robust geological model, updated technical report, detailed mine plan as well as upgrades on site to underpin the previously announced return to production.

Details of Financing

As previously announced, the Financing was based on a CDN\$ / US\$ exchange rate of \$1.29520 and was approved by the Company's shareholders at the annual and special meeting (the "**Meeting**") of shareholders held on January 20, 2021.

Each Unit consists of one common share in the capital of the Company (each, a "**Common Share**") and one Common Share purchase warrant (each, a "**Warrant**"). Each Warrant will entitle the Brunswick Gold to purchase one Common Share at an exercise price equal to \$0.05 per Warrant for a period of five years from the date of issuance.

As described in the management information circular prepared in connection with the Meeting and as provided pursuant to the terms of an investor rights agreement dated December 13, 2020, the Company's board of directors (the "**Board**") now consists of seven directors – namely Brian Wesson, Clyde Wesson, Yvette Harrison and four new nominees from Brunswick Gold (namely Vladimir Lelekov, Nicolas Pascault, Victor Koshkin and Martin Smith). Additionally, Mr. Vladimir Lelekov has been appointed as

Chairperson of the Board. To facilitate the incoming Board members, Mr. Christopher Towsey resigned as a director of the Company and will remain as a consultant to Otso.

As also previously announced and as set out in the management information circular, on closing of the Financing, B&A Wesson Pty Ltd ("**B&A**") and C&C Wesson Pty Ltd ("**C&C**") were issued (in aggregate) 32,380,050 "top-up" Common Shares and PFL Raathe Holdings LP ("**PFL**") was issued 31,909,280 "top-up" Common Shares. Accordingly, as a result of the Financing, on a non-diluted basis, Brunswick Gold now owns 46.03% of the Common Shares; PFL now owns 12.79% of the Common Shares and each of B&A and C&C now own 6.69% of the Common Shares.

In connection with the 31,909,280 Common Shares issued to PFL on closing, such issuance fully settles the Company's outstanding debt to PFL in the amount of US\$1,231,826.21.

All securities issued pursuant to the Financing are subject to a statutory hold period of four months and one day from the date of issuance, in accordance with applicable Canadian securities legislation.

For further information, please contact:

Clyde Wesson
Vice President
1 917 287 0716

info@otsogold.com
www.otsogold.com

Caution

The Company cautions that it has not defined or delineated any proven or probable reserves for the Otso Mine Project and mineralization estimates may therefore require adjustment or downward revision based upon further exploration or development work or actual production experience. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Company also cautions that the decision by the Company to proceed to develop the Otso Mine Project and extract mineralization proceeded without the Company first establishing reserves supported by a technical report and completing a pre-feasibility or feasibility study. Accordingly, there is a higher risk of technical and economic failure at Otso because development proceeded without first establishing reserves supported by a technical report and completing a feasibility study. This is particularly relevant as the Company has proceeded with development at Otso on indicated and inferred resources without first completing a preliminary economic report.

Forward-looking Statements

This press release contains forward-looking statements regarding the Company based on current expectations and assumptions of management, which involve known and unknown risks and uncertainties associated with our business and the economic environment in which the business operates. All such statements are forward-looking statements under applicable Canadian securities legislation. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. We caution our readers of this press release not to place undue reliance on our forward-looking statements as a number of factors could cause actual results or conditions to differ materially from current expectations. Please refer to the risks set forth in the Company's continuous disclosure documents that can be found on SEDAR (www.sedar.com) under the Company's issuer profile. The Company does not intend, and disclaims any obligation, except as required by law, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

About the Company

Otso Gold Corp. wholly owns the Otso Gold Mine near the town of Raahelä in Finland. The Otso Gold Mine is developed, fully permitted, has all infrastructure in place, two open pits and is progressing towards production in 2021 to process ore at name plate capacity of 2 million tonnes per annum.

Neither the 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.