

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1. *Name and Address of Company*

Klimat X Developments Inc. (formerly Earl Resources Limited) (“**Klimat X**” or the “**Corporation**”)
Suite 390, 1050 Homer Street
Vancouver, British Columbia
V6B 2W9

ITEM 2. *Date of Material Change*

June 29, 2022.

ITEM 3. *News Release*

A news release was disseminated on June 29, 2022 with respect to the material changes.

ITEM 4. *Summary of Material Change*

The Corporation announced that it has completed its previously announced “Change of Business” transaction (the “**COB**”), as such term is defined in Policy 5.2 (“**Policy 5.2**”) of the TSX Venture Exchange (the “**TSXV**”).

ITEM 5.1 *Full Description of Material Change*

The Corporation announced that it has completed the COB.

Summary of Closing and Business

As a result of closing of the COB, Klimat X acquired: (i) approximately 65% of the shares of Pomeroon Trading (Holdings) Ltd. (“**PTHL**”), a private vertically integrated agriculture company operating in Guyana; (ii) an assignment from Rewilding Maforki Ltd. of 51% of the carbon credits and timber revenues to be generated in connection with its Maforki Project in Sierra Leone; and (iii) an assignment from Compania Mexicana de Captacion de Carbono of all of its rights and interests to develop and market carbon credits under its existing contract with the Government of the State of Yucatan in Mexico. In connection with closing of the COB, Klimat X expects that its listing shall be “reactivated” under the Policies of the TSXV, with its listing transferred from the NEX board of the TSXV (“**NEX**”) to the TSXV, and its common shares (“**Common Shares**”) are expected to resume trading on the TSXV by the end of June 2022 under the stock symbol “**KLX**”.

Klimat X will now carry on the business of developing validated and verified carbon credits from afforestation and reforestation of degraded land areas and marine ecosystems, including mangroves, for sale into international voluntary carbon markets. In contrast to streaming and royalty companies, Klimat X works upstream as a direct owner and operator of projects, addressing a key supply constraint the current market and the rapidly growing demand for carbon credits in global voluntary and regulated markets. The Corporation intends to achieve this by investing in the exploration, restoration and management of terrestrial and marine systems that can either be protected to enhance the sequestration of greenhouse gases or restored from a degraded status to fully productive ecosystems. Klimat X will draw on the experience of a senior executive team and board that provide access into key target jurisdictions through relationships in the mining and natural resources sectors, combined with decades of experience in carbon markets. Klimat X plans to deploy capital at risk under various arrangements (including cooperation, assignment and production sharing agreements) with large land owners and governments in various suitable jurisdictions around the world.

Closing Details

In connection with completion of the COB:

- (i) the Corporation changed its name to “Klimat X Developments Inc.”, listing on the TSXV with symbol – “KLX”;
- (ii) an aggregate of 20,705,127 subscription receipts of Klimat X (“**Subscription Receipts**”) that were issued in connection with a non-brokered private placement of Subscription Receipts (the “**Concurrent Financing**”) at a price of \$0.45 per Subscription Receipt were automatically exchanged for an aggregate of 20,705,127 Common Shares, being one Common Share for each Subscription Receipt;
- (iii) the gross proceeds of the Concurrent Financing, together with interest earned thereon, in the amount of \$9,31,301 was released to Klimat X to be used to fund the COB, to develop the business of Klimat X and for working capital and general corporate purposes;
- (iv) Klimat X completed its previously announced shares for debt transactions, which settles certain outstanding accounts payable in the aggregate amount of CAD\$363,415 owing to certain consultants of Klimat X through the issuance of 807,588 Common Shares, at a deemed price of CAD\$0.45 per Common Share (the “Shares for Debt Transaction”); and
- (v) Dr. James Tansey, Neil Passmore, and Robert Cross have been appointed to Klimat X’s board of directors. Additionally, Dr. James Tansey was appointed as Chief Executive Officer, Chris Colborne was appointed as Chief Financial Officer and Corporate Secretary, Neil Passmore was appointed as the Director of Corporate Development and Kevin Godlington was appointed as the Director of Operations. The directors and officers of the Corporation now include the following:
 - Dr. James Tansey—Chief Executive Officer and Board Director
 - Paul Matysek – Executive Chair and Board Director
 - Ford Nicholson – Lead Board Director (Independent)
 - Chris Colborne—Chief Financial Officer, Corporate Secretary and Board Director
 - Neil Passmore—Director of Corporate Development and Board Director
 - Kevin Godlington—Director of Operations
 - Robert Cross— Board Director (Independent)
 - Mischa Zajtmann—Board Director (Independent)

Complete copies of the biographies of the foregoing directors and officers can be found in Klimat X’s press release dated November 26, 2022 and in the filing statement (the “**Filing Statement**”) dated June 8, 2022, outlining the terms of the Proposed COB and providing detailed information respecting Klimat X’s ongoing business and operational plans and expectations. For further details regarding such appointments the COB, please refer to Klimat X’s Filing Statement under Klimat X’s profile on SEDAR at www.sedar.com.

Escrow Matters

After giving effect to the COB, including the conversion of the Subscription Receipts and issuance of Common Shares pursuant to the Shares for Debt Transaction, the Corporation has 86,622,661 Common Shares issued and outstanding. As disclosed in the Filing Statement: (i) 32,255,939 Common Shares held by “Principals” of Klimat X (as defined in TSXV policies) will be held under a TSXV Tier 2 Value escrow agreement; (ii) 1,007,740 Common Shares held by Principals of Klimat X will be held under a TSXV Tier 1 Value escrow agreement; and (iii) 2,682,577 Common Shares held by PTHL shareholders who received Common Shares as consideration for their PTHL shares will be held under a TSXV Tier 2 Value escrow agreement., all in accordance with TSXV policies and with Odyssey Trust Company acting as escrow agent. As a result, 35,946,256 Common Shares (or approximately 42% of the total Common Shares) are currently subject to escrow. In addition, Dr. Tansey, Mr. Neil Passmore, Mr. Ford Nicholson and Mr. Kevin Godlington, be certain key principals of Klimat X, have additionally agreed to enter into a voluntary escrow arrangement for a period of one year whereby all Common Shares held or controlled by them will remain subject to escrow during such time period.

ITEM 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 significant facts have been omitted from this report.

ITEM 8. *Executive Officer*

Chris Colborne
Chief Financial Officer, Corporate Secretary and Board Director
1-778-373-3736

ITEM 9. *Date of Report*

July 5, 2022