FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

Trailbreaker Resources Ltd.
650 W. Georgia Street, #2110
Vancouver, British Columbia
V6B 4N9

2. Date of Material Change:

The material change described in this report occurred on August 8th, 2023

3. News Release:

On August 8th, 2023, Trailbreaker Resources Ltd. ("**Trailbreaker**" or the "**Company**") issued a news release through the facilities of Global Newswire.

4. Summary of Material Change:

The Company consolidates Castle Rock Property, Northern Vancouver Island.

5. Full Description of Material Change:

On August 8, 2023, the Company announced that it has consolidated the Castle Rock property on northern Vancouver Island, British Columbia (BC).

The property was initially acquired through claim staking, then expanded through a partnership with Cazador Resources Ltd. ("Cazador") in January, 2023 (see January 20, 2023 news release). Trailbreaker has now signed an agreement with Cazador which provides Trailbreaker with the option to own 100% of the 3,108-hectre (ha) Castle Rock property.

Highlights of the Castle Rock property

- Covers 3,108 hectares of land on northern Vancouver Island, approximately 70 km northwest of Campbell River, BC (Figure 1)
- Claims cover 5 Minfile occurrences on a district-scale structure that is >5 km-long, and newly identified gold ± copper-enriched intrusions
- Relatively new discovery, in an area that hosts copper-gold (Cu-Au) porphyry and skarn deposits
- Northern Vancouver Island is host to several large Cu-Au porphyry deposits including Northisle's Hushamu deposit (Inferred Resource of 5.57 Moz AuEq)[1], and BHP Billiton's past producing Island Copper porphyry copper deposit (produced >2.7 B lb Cu and >1.0 Moz Au) [1]
- Newly accessible via recent logging activity
- Historic chip sample returned assays of 2.0 g/t Au over 30 metres[2] at the Heart zone, which is a brecciated zone containing 5 to 10% pyrite-chalcopyrite

- Historic sampling returned assays up to 135 g/t Au from boulders, 1.5 km west of the Heart zone[3]
- Gold is hosted in Jurassic granodiorite dykes which have been emplaced along a regional-scale fault zone separating Lower to Middle Triassic Daonella Bed sedimentary rocks from Upper Triassic Karmutsen Formation basalts

In September, 2022, Trailbreaker completed a 3-day first-pass evaluation program on the Castle Rock claims. The program successfully confirmed historic gold grades, with 2022 channel sample returning values up to 0.68 g/t Au over 13.11 m, including a subinterval of 1.85 g/t Au over 2.92 m. A soil geochemical survey outlined a 50 m x 400 m, northwest-southeast trending gold-in-soil anomaly interpreted to represent the surface footprint of the gold-bearing dyke exposed at the Heart zone. Soil values up to 5.44 g/t Au were returned, and the anomaly remains open.

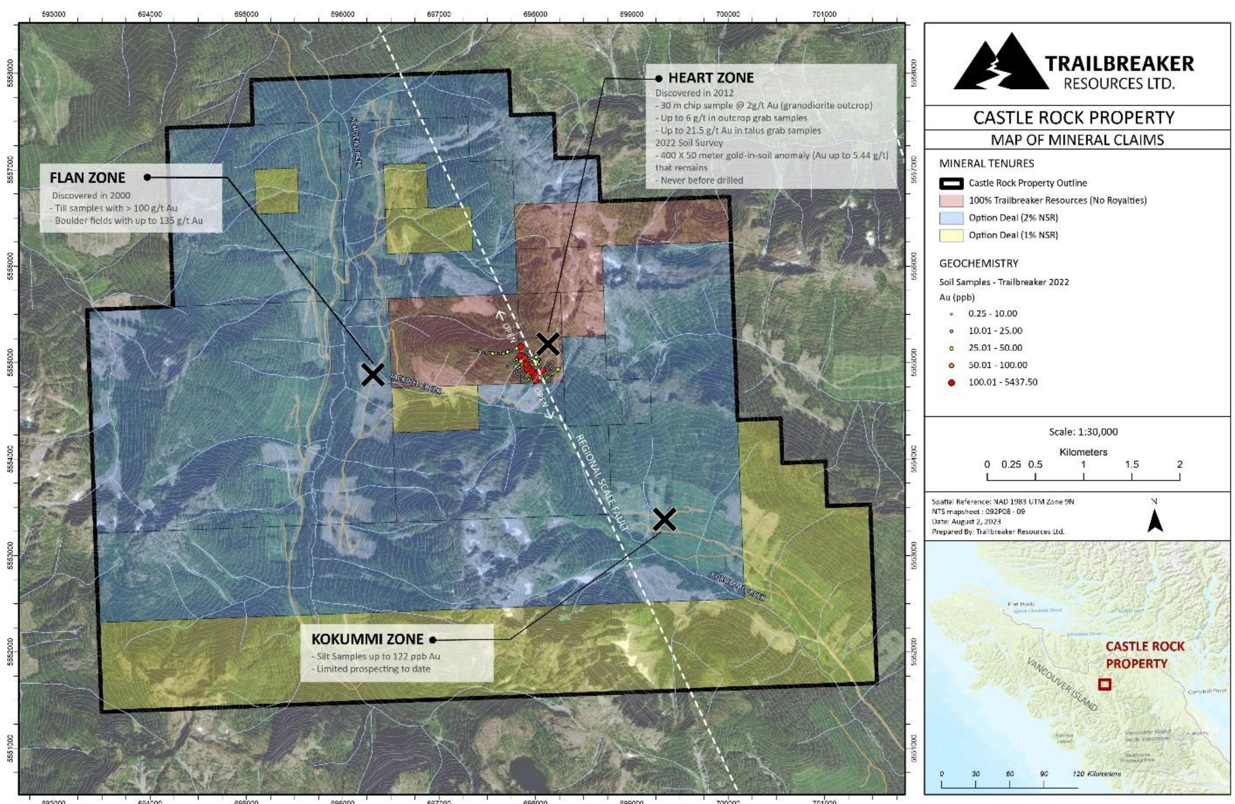

Figure 1: Map of mineral claims colour-coded by pre-option agreement ownership. The soil anomaly associated with the Heart zone occurs on Trailbreaker claims and is open toward the southeast and northwest.

Option agreement with Cazador Resources

In January, 2023, Trailbreaker signed a partnership agreement with Cazador whereby each party owns 50% of the property.

Effective as of July 27th, 2023, Trailbreaker has signed an option agreement with Cazador which provides Trailbreaker the option to acquire the remaining 50% of the Castle Rock property (for 100% ownership) by completing the following:

- Upon receipt of TSX-V approval for the option agreement, issuance to Cazador of 200,000 common shares;
- A total of CAD$60,000 of expenditures on the Castle Rock property by the second anniversary of the effective date;
- On the second anniversary of the effective date and annually to the fifth anniversary date, payment to Cazador of CAD$5,000 as advance payments on the royalty; and
- On or before the fifth anniversary of the effective date, issuance to Cazador of a further 300,000 common shares.

Cazador will retain a 2% NSR (Net Smelter Return royalty) on claims currently 100% held by Cazador, and a 1% NSR on claims held jointly between Cazador and Trailbreaker. Once the option is exercised Trailbreaker may buy back 50% of the royalty by paying Cazador CAD$1 million.

2023 exploration at Castle Rock

During 2023 Trailbreaker plans to execute a property-wide geochemical soil survey to further expand the Heart zone soil anomaly outlined in 2022, and to explore for other mineralized intrusive dykes.

Numerous other historic showings remain underexplored, with no systematic exploration completed to date. The Flan showing, discovered in 2000, is located approximately 1.5 km west of the Heart zone. The showing consists of numerous high-grade boulders assaying up to 135 g/t Au. This indicates potential for the Castle Rock property to host much higher-grade gold mineralization than identified thus far.

The geochemical survey, combined with prospecting and geological mapping, is intended to lead to drill target generation at the Heart zone, and may result in further discoveries within the 3,108-ha property.

Message from the President

"This is a step in the right direction for Trailbreaker and the project. I believe the Castle Rock area has been overlooked in the past and remains considerably underexplored. Given the property's association with large, district-scale structures and open-ended anomalies, Castle Rock has the potential to be rapidly expanded into a significant gold prospect."

ON BEHALF OF THE BOARD

Daithi Mac Gearailt
President and Chief Executive Officer

Carl Schulze, P. Geo., Consulting Geologist with Aurora Geosciences Ltd, is a qualified person as defined by National Instrument 43-101 for Trailbreaker's BC and Yukon exploration projects, and has reviewed and approved the technical information in this release.

6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer:

For further information, contact Lucy Zhang, CFO of the Company at 604-681-1820.

9. Date of Report:

August 8, 2023