

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Electrum Discovery Corp. (formerly Medgold Resources Corp.) ("**Electrum**" or the "**Company**")
200 Burrard Street, Suite 650
Vancouver, BC
V6C 3L6

Item 2 Date of Material Change

January 15, 2024 and January 18, 2024

Item 3 News Release

A news release dated January 18, 2024 was disseminated to the TSX Venture Exchange and through various other approved public media and filed on SEDAR with applicable securities commissions

Item 4 Summary of Material Change(s)

The Company announced the closing ("**Closing**") of its previously-announced transaction resulting in the reverse takeover of Medgold Resources Corp. ("**Medgold**") by Balkan Metals Corp. ("**BMC**"), along with completion of a concurrent non-brokered private placement (the "**Private Placement**"), a 16-1 share consolidation (the "**Consolidation**") and name change to Electrum Discovery Corp. (collectively, the "**Transaction**").

Pursuant to the terms of an amalgamation agreement entered into between Medgold, BMC and 1397383 B.C. Ltd., a wholly-owned subsidiary of Medgold ("**MergeCo**") dated January 27, 2023, as amended (the "**Amalgamation Agreement**"), the Company completed a three-cornered amalgamation (the "**Amalgamation**") under the *Business Corporations Act* (British Columbia) with BMC and MergeCo pursuant to which BMC and MergeCo amalgamated and the Company issued 54,888,763 common shares of the Company post-Consolidation (the "**Resulting Issuer Shares**") to BMC shareholders in exchange for their common shares of BMC (the "**BMC Shares**").

Also concurrently with the completion of the Transaction, Jeremy Crozier resigned as President, CEO and director, Michael Skead resigned as a director, and Sally Whittall resigned as Corporate Secretary of Medgold. Dr. Elena Clarici was appointed President, Chief Executive Officer and Director, and Michael Thomsen, and Eric Rasmussen, were appointed directors of the Company.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced the Closing of its previously-announced transaction resulting in the reverse takeover of Medgold by BMC, along with completion of a concurrent non-brokered Private Placement, a 16-1 Consolidation and name change.

The Transaction

Pursuant to the terms of an Amalgamation Agreement entered into between Medgold, BMC and MergeCo dated January 27, 2023, as amended, the Company completed a three-cornered Amalgamation under the *Business Corporations Act* (British Columbia) with BMC and MergeCo pursuant to which BMC and MergeCo amalgamated and the Company issued 54,888,763 Resulting Issuer Shares to BMC shareholders in exchange for their BMC Shares.

The Transaction constituted a “reverse takeover” pursuant to the policies of the TSX Venture Exchange (the “**TSXV**”). Please refer to Medgold’s management information circular (the “**Circular**”) dated July 14, 2023, filed under the Company’s profile on SEDAR+ at www.sedarplus.ca, for further details of the Transaction. Immediately prior to closing of the Transaction, Medgold completed the Consolidation, and, at closing of the Transaction, changed its name to “Electrum Discovery Corp.”.

Financing

In connection with the Transaction, BMC completed the Private Placement consisting of the sale of 21,600,000 subscription receipts (“**Subscription Receipts**”) at a price of Cdn\$0.10 per Subscription Receipt to raise gross proceeds of Cdn\$2,160,000. Immediately prior to the completion of the Amalgamation, each Subscription Receipt automatically became, without any further action or payment of any additional consideration, one unit of BMC (the “**BMC Units**”), with each such unit consisting of one BMC Share and one common share purchase warrant. As a result of the Amalgamation, the holders of the BMC Shares received one Resulting Issuer Share for every BMC Share held, and all outstanding share purchase warrants of BMC were exchanged for share purchase warrants of Electrum on a one for one basis.

BMC paid 7% cash finder’s fees in the aggregate amount of Cdn\$41,300 to certain finders. BMC also issued to the finders an aggregate of 413,000 share purchase warrants (“**Finders’ Warrants**”) having the same terms as the warrants issued pursuant to the Private Placement (such amount being equal to 7% of the total number of BMC Units purchased by subscribers that the finders introduced to BMC). The Finders’ Warrants entitles the holder thereof to purchase one Resulting Issuer Share at a price of Cdn\$0.20 per share for a period of 12 months.

On closing of the Transaction, a total of Cdn\$2,118,700 is available to the Company which the Company intends to use as follows:

- geochemical, geophysical and drilling work at the Company’s flagship Timok East Project: Cdn\$1,200,000;

- the payment of expenses related to the Transaction: Cdn\$434,517; and
- anticipated general and administrative expenses for the next year: Cdn\$250,000,

with unallocated working capital of Cdn\$234,183.

As a result of the Transaction, the Company has 63,313,064 Resulting Issuer Shares outstanding on a non-diluted basis and 90,621,590¹ Resulting Issuer Shares outstanding on a fully diluted basis.

Please refer to the reconciliation below of the 63,313,064 Resulting Issuer Shares issued and outstanding:

Medgold issued and outstanding common shares immediately prior to Closing (after completion of the Consolidation):	8,424,301
Resulting Issuer Shares issued to holders of BMC Shares (prior to the Pre-Closing Financing) (as defined below) (please refer to the Circular for more information) and prior to the exercise of BMC warrants:	28,132,757
Resulting Issuer Shares issued to settle an aggregate of Cdn\$250,000 of BMC debt at Cdn\$0.15 (please refer to the Circular for further information):	1,666,667
Resulting Issuer Shares issued to settle an aggregate of Cdn\$330,000 of Medgold debt at C\$0.20 (please refer to the Circular for further information):	1,650,000
Resulting Issuer Shares issued to holders of BMC Shares previously issued pursuant to a pre-closing financing (the “ Pre-Closing Financing ”) and the exercise of BMC warrants prior to Closing:	1,839,339
Resulting Issuer Shares issued pursuant to the Private Placement:	21,600,000
Total Resulting Issuer Shares outstanding:	63,313,064

¹ This number has been updated from the number disclosed in the press release of the Company issued on January 18, 2024.

On completion of the Transaction, the principals of BMC and certain other shareholders of BMC, as required by the policies of the TSXV, entered into a Tier 2 Value Escrow Agreement (the “**Escrow Agreement**”) with the Company and Computershare Investor Services Inc., as escrow agent, in respect of 13,549,365 Resulting Issuer Shares, 500,000 Resulting Issuer Share purchase warrants and 68,750 Resulting Issuer stock options. Under the terms of the Escrow Agreement, 10% of such escrowed securities are to be released upon the TSXV’s issuance of its final bulletin in respect of the Transaction, with subsequent 15% releases occurring 6, 12, 18, 24, 30 and 36 months from Closing.

In addition, 419,685 Resulting Issuer Shares are subject to contractual restrictions consistent with Tier 2 Value Escrow and further 641,400 Resulting Issuer Shares are subject to contractual resale restrictions providing that such Resulting Issuer Shares are released as follows: 10% are to be released upon the TSXV’s issuance of its final bulletin in respect of the Transaction, with subsequent 15% releases occurring in 6, 12, 18, 24, 30 and 36 months.

TSXV Approval and Resumption of Trading

The Transaction remains subject to receipt of final approval from the TSXV and fulfillment of all of the requirements of the TSXV in order to obtain such approval. Until final approval of the TSXV is obtained and a Final Exchange Bulletin is issued which is expected on or about January 19, 2024, trading in the Resulting Issuer Shares will remain halted. Resumption of trading is expected on or about January 23, 2024. Upon resumption of trading, the Resulting Issuer Shares will trade under the symbol "ELY" and the Company will be listed as a Tier 2 Mining Issuer.

Board of Directors and Executive Management

Concurrently with the completion of the Transaction, the following individuals were appointed as directors or officers of Electrum:

Dr. Elena Clarici -	President, Chief Executive Officer and Director
Michael Thomsen -	Director
Eric Rasmussen -	Director
Ralph Rushton -	Director
Kevin Bales -	Chief Financial Officer
Brett Kagetsu -	Corporate Secretary

Also concurrently with the completion of the Transaction, Jeremy Crozier resigned as President, CEO and director, Michael Skead resigned as a director, and Sally Whittall resigned as Corporate Secretary of Medgold.

Warrant Re-pricing

Prior to Closing, the exercise price of 3,332,046 common share purchase warrants previously issued by BMC (the “**Pre-closing Warrants**”) as disclosed in the Circular has been reduced from Cdn\$0.25 for the first year after issuance and Cdn\$0.30 until expiry to an exercise price of Cdn\$0.20 to better reflect current market conditions. All other terms of the Pre-closing Warrants have remained unchanged, save and except for such Pre-closing Warrants are now exercisable purchase Resulting Issuer Shares.

Renewal of Luka Claims

On August 3, 2023, the Serbian Ministry of Mining and Energy advised BMC that it had issued decision no. 310-02-736/2018-02 with respect to the renewal of the Luka claims and to allow for further exploration to be conducted on such claims. BMC received a formal copy of the decision on October 2, 2023.

Additional Information

The CUSIP / ISIN number for the Resulting Issuer Shares is 28616D108/CA28616D1087.

This material change report shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction. Any securities referred to herein have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to a U.S. Person absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.

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

None.

Item 8 Executive Officer

Dr. Elena Clarici
President and Chief Executive Officer
Tel: +1 604 801 5432

Item 9 Date of Report

January 24, 2024

Forward-Looking Statements

Certain statements contained in this material change report constitute forward-looking information within the meaning of Canadian securities legislation. All statements included herein, other than statements of historical fact, are forward-looking information. Often, but not always, this forward-looking information can be identified by the use of words such as “estimate”, “estimates”, “estimated”, “potential”, “open”, “future”, “assumed”, “projected”, “used”, “detailed”, “has been”, “gain”, “upgraded”, “offset”, “limited”, “contained”, “reflecting”, “containing”, “remaining”, “to be”, “periodically”, or statements that events, “could” or “should” occur or be achieved and similar expressions, including negative variations.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Electrum, to be materially different from any results, performance or achievements expressed or implied by forward-looking information. Such uncertainties and factors include, among others, risk relating to obtaining final approval of the TSXV; risk related to the failure to obtain adequate financing on a timely basis and on acceptable terms; changes in general economic conditions and financial markets; risks associated with the results of exploration and development activities, and the geology, grade and continuity of mineral deposits; unanticipated costs and expenses; and such other risks detailed from time to time in Electrum's quarterly and annual filings with securities regulators and available under Electrum's profile on SEDAR+ at www.sedarplus.ca. Although Electrum has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward-looking information contained herein are based on the assumptions, beliefs, expectations and opinions of management. Forward-looking information has been made as of the date hereof and Electrum disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information.