FORM 51-102F3

SECURITIES ACT

MATERIAL CHANGE REPORT

Item 1 Name and address of Company

TEARLACH RESOURCES LIMITED
Suite 610 - 700 W. Pender Street
Vancouver, BC
V6C 1G8

Item 2 Date of Material Change:

April 21, 2023

Item 3 News Release

News Release dated April 21, 2023, disseminated under section 7.1 of National Instrument 51-102

Item 4 Summary of Material Change

See attached News Release.

Item 5 Full Description of Material Change

See attached News Release.

Item 6 Reliance on Section 7.1(2) OR (3) OF National Instrument 51-102

The Company is not relying on subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 Omitted Information

There is no omitted information.

Item 8 Executive Officer

Charles Ross, CFO of the Company, is knowledgeable about the material change and this report. He can be contacted by telephone at (604) 688-5007 or by email at *chuck@tearlach.ca*.

Item 9 Dated at Vancouver, British Columbia, April 21, 2023

"Charles Ross"
Director and CFO

TEARLACH

Tearlach Announces TSXV Approval for Assignment and Assumption Agreement for Shelby Project

VANCOUVER, BRITISH COLUMBIA, April 21, 2023, Tearlach Resources Limited (TSXV: TEA) (OTC: TELHF) (FRANKFURT: V44) ("**Tearlach**" or the "**Company**") wishes to announce that, further to its news release dated January 12, 2023, it has received final approval from the TSX Venture Exchange (the "**TSXV**") for an assignment and assumption agreement with respect to the assignment of an option to acquire a 100% interest in and to six lithium claim groups located in the James Bay region of Quebec covering approximately 11,226 hectares (each claim group, an "**Assigned Project**", and collectively, the "**Shelby Project**"). The transaction is considered an "Expedited Acquisition" under TSXV policies.

Pursuant to the terms of the Assignment and Assumption Agreement dated January 11, 2023, as amended on February 9, 2023 (together, the "**Assignment Agreement**") between the Company and an arm's length private company (the "**Assignor**"), the Assignor agreed to assign the Company its option (the "**Option**") to acquire all of its rights, title and interest in and to the Shelby Project.

The Assignor's rights to the Shelby Project are set out in a Property Option Agreement dated December 12, 2022, as amended on January 4, 2023 (together, the "**Option Agreement**") between the Assignor and 1Life Holdings Ltd. ("**1Life**"), whereby the Assignor was granted the option to acquire a 100% interest in and to 11 claim groups in the James Bay region of Quebec. Subsequently, the Assignor assigned the Option covering the six Assigned Projects to the Company and elected to keep the option on the remaining five claim groups.

To exercise the Option, the Company has agreed to pay and issue the following to the Assignor and 1Life, as applicable:

- payment of $90,909.08 in cash per Assigned Project, or $545,454.48 in the aggregate, and issuance of 537,154 shares in the capital of the Company at a deemed price of $2.30 per share (each, a "**Share**") to the Assignor within three business days of TSXV approval;
- optional payment of $90,909.08 in cash per Assigned Project, or $545,454.48 in the aggregate, (with $272,727.24 in cash payable to the Assignor and $272,727.24 in cash payable to 1Life) and issuance of 39,525 Shares per Assigned Project for 237,154 Shares in the aggregate (with 118,577 Shares issuable to the Assignor and 118,577 Shares issuable to 1Life) on or before the first anniversary of the effective date of the Option Agreement or Assignment Agreement, as applicable;
- optional payment of $90,909.08 in cash per Assigned Project, or $545,454.48 in the aggregate, (with $272,727.24 in cash payable to the Assignor and $272,727.24 in cash payable to 1Life) and issuance of 39,525 Shares per Assigned Project for 237,154 Shares in the aggregate (with 118,577 Shares issuable to the Assignor and 118,577 Shares issuable to 1Life) on or before the second anniversary of the effective date of the Option Agreement or Assignment Agreement, as applicable; and
- optional payment of $90,909.08 in cash per Assigned Project, or $545,454.48 in the aggregate, (with $272,727.24 in cash payable to the Assignor and $272,727.24 in cash payable to 1Life) and issuance of 39,525 Shares per Assigned Project for 237,154 Shares in the aggregate (with 118,577 Shares issuable to the Assignor and 118,577 Shares issuable to 1Life) on or before the third anniversary of the effective date of the Option Agreement or Assignment Agreement, as applicable.

The Company may elect to pay the cash equivalent value for any share issuance obligations under the Option Agreement.

The Company must pay a one-time cash bonus payment of $2,000,000 to the Assignor on a per Assigned Project basis (each, a "**Drilling Bonus**") upon the Company receiving a verified diamond drill intersection from one or more of the Assigned Projects which returns length-weighted assays of at least 10 metres of continuous pegmatite mineralization grading 1% Li_2O or greater from a hole sited perpendicular to the known or assumed geological strike of the pegmatite unit and drilled in accordance with CIM Mineral Exploration Best Practices Guidelines within four years of the effective date of the Assignment Agreement (each, a "**Drilling Milestone**"). For greater certainty, if the Company receives drilling results that evidence achievement of the Drilling Milestones on all six Assigned Projects, the Company is obligated to pay the Assignor six Drilling Bonuses of $2,000,000 each for total Drilling Bonuses of $12,000,000.

Upon exercise of the Option by the Company with respect to each Assigned Project, the Company has agreed to grant a 3% net smelter returns royalty on each Assigned Project in favor of the Assignor (each, a "**NSR Royalty**"). The Company will have the irrevocable right to purchase 0.5% of the NSR Royalty on each Assigned Project from the Assignor at any time after the Option is exercised for a purchase price of $1,000,000 for each Assigned Project.

In the event the Company elects to abandon one or more Assigned Projects in accordance with the terms of the Option Agreement, the remaining consideration payable and issuable by the Company to the Assignor following such due abandonment will be reduced by $45,454.54 cash and $45,454.54 in Shares per Assigned Project duly abandoned. Similarly, no Drilling Bonus or NSR Royalty will be paid on an Assigned Project if, prior to the Drilling Milestone or exercise of the Option (as applicable), the Company duly abandons the corresponding Assigned Project.

Any Shares issued under the Option Agreement or the Assignment Agreement will be subject to a statutory hold period of four months and one day.

For more information regarding the Option Agreement and the Assignment Agreement, please see the Company's prior news release dated January 12, 2023.

<u>About Tearlach</u>

Tearlach, a member of the TSX Venture 50, is a Canadian exploration company engaged in acquiring, exploring, and developing lithium projects. Tearlach has a Joint Venture agreement with Blackrock Silver on the Gabriel project in Tonopah, Nevada, bordering American Lithium's TLC Deposit, and has completed 11 drill holes on the Gabriel Property. Tearlach has three lithium assets in Ontario: Final Frontier, Georgina Stairs and New Frontier. Final Frontier is located adjacent to and near Frontier Lithium's PAK lithium deposit north of Red Lake. Georgina Stairs is located northeast of Rock Tech Lithium's Georgia Lake deposit near Beardmore. Tearlach has two lithium assets in Quebec: Rose-Fliszar-Muscovite Project in the James Bay area and Shelby Project adjacent to and near Patriot Battery Metals' Corvette lithium project and Winsome Resources' Cancet and Adina lithium projects. Tearlach also has the Savant Property, an exploration stage Gold-Silver-Copper Property, in Northwestern Ontario. Tearlach's primary objective is to position itself as North America's leading lithium exploration and development company. For more information, please get in touch with the Company at info@tearlach.ca or visit our website at www.tearlach.ca for project updates and related background information.

ON BEHALF OF THE BOARD OF DIRECTORS,
TEARLACH RESOURCES LIMITED.

Morgan Lekstrom
Chief Executive Officer
Suite 610 - 700 W. Pender Street
Vancouver, BC, Canada V6C 1G8
Tel: 604-688-5007

Follow us on [Facebook](), [Twitter](), and [LinkedIn]().

Forward-looking statements

This press release contains forward-looking statements and forward-looking information within the meaning of Canadian securities laws (collectively, "forward-looking statements"). Statements and information that are not historical facts are forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. Forward-looking statements and the assumptions made in respect thereof involve known and unknown risks, uncertainties, and other factors beyond the Company's control. Forward-looking statements in this press release include statements regarding beliefs, plans, expectations or intentions of the Company. Mineral exploration is highly speculative and characterized by several significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Forward-looking statements in this press release are made as of the date herein. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements in this press release are reasonable, undue reliance should not be placed on such statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law.

Neither the TSX Venture Exchange nor its Regulation Service provided (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.