

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 20, 2023

Item 3 News Release

News Release dated April 20, 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 20, 2023

“Charles Ross”
Director and CFO



Tearlach Announces TSXV Approval for Property Option Agreements for Fliszar and Rose North Lithium Properties and for Muscovite Lithium Property

VANCOUVER, BRITISH COLUMBIA, April 20, 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 30, 2023, it has received final approval from the TSX Venture Exchange (the “TSXV”) for an option agreement with respect to the Fliszar and Rose North Lithium Properties and an option agreement for the Muscovite Lithium Property. Both transactions are considered “Expedited Acquisitions” under TSXV policies, and each acquisition is set out in greater detail below.

Option to Acquire Fliszar and Rose North Lithium Properties

Pursuant to the terms of the Property Option Agreement dated January 20, 2023, as amended on March 20, 2023 (together, the “**Option Agreement**”) between the Company and 1Life Holdings Ltd. (the “**Optionor**”), the Optionor granted the Company the option (the “**Option**”) to acquire a 100% interest in and to 116 lithium claim groups located in the Fliszar Lithium Property and the Rose North Lithium Property covering approximately 6,076 hectares (together, the “**Property**”).

To exercise the Option, the Company must pay and issue the following to the Optionor, as applicable:

- payment of \$125,000 in cash on the effective date of the Option Agreement (paid);
- elected payment of \$125,000 in lieu of 51,652 shares in the capital of the Company with a deemed floor price of \$2.42 per share (each, a “**Share**”) within five days of the effective date of the Option Agreement (paid);
- optional payment of \$125,000 in cash and issuance of 51,652 Shares on or before the first anniversary of the effective date of the Option Agreement;
- optional payment of \$125,000 in cash and issuance of 51,652 Shares on or before the second anniversary of the effective date of the Option Agreement; and
- optional payment of \$125,000 in cash and issuance of 51,652 Shares on or before the third anniversary of the effective date of the Option Agreement.

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

The Company must also make a one-time cash bonus payment of \$1,000,000 to the Optionor (the “**Bonus**”) in the event a National Instrument 43-101 (“**NI 43-101**”) compliant mineral resource valued over \$100,000,000 or more is established on the Property, which may be satisfied through payment of cash or Shares, at the Company’s discretion. In the event the Company elects to issue Shares for the Bonus (each, a “**Bonus Share**”), pursuant to the Amendment, the Bonus Shares will be issued at a deemed floor price of \$2.42 per Bonus Share.

Upon exercise of the Option by the Company, the Company has agreed to grant a 2% net smelter returns royalty on the Property in favor of the Optionor (the “**NSR Royalty**”). The Company will have the irrevocable right to purchase 1.5% of the NSR Royalty on the Property from the Optionor at any time after the Option is exercised for a purchase price of \$2,000,000.

Option to Acquire Muscovite Lithium Property

Pursuant to the terms of the Property Option Agreement dated January 20, 2023 as amended on March 20, 2023 (together, the “**Muscovite Option Agreement**”) between the Company and the Optionor, the Optionor granted the Company the option (the “**Muscovite Option**”) to acquire a 100% interest in and to 84 lithium claim groups located in the Muscovite Lithium Property covering approximately 4,368 hectares (the “**Muscovite Property**”).

To exercise the Muscovite Option, the Company must pay and issue the following to the Optionor, as applicable:

- payment of \$62,500 in cash upon the effective date of the Muscovite Option Agreement (paid);
- elected payment of \$62,500 in lieu of 25,826 Shares (again, for all Shares issued at a deemed floor price of \$2.42 per Share) within five days of the effective date of the Muscovite Option Agreement (paid);
- optional payment of \$62,500 in cash and issuance of 25,826 Shares on or before the first anniversary of the effective date of the Muscovite Option Agreement;
- optional payment of \$62,500 in cash and issuance of 25,826 Shares on or before the second anniversary of the effective date of the Muscovite Option Agreement; and
- optional payment of \$62,500 in cash and issuance of 25,826 Shares on or before the third anniversary of the effective date of the Muscovite Option Agreement.

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

The Company must also make a one-time cash bonus payment of \$1,000,000 to the Optionor (the “**Muscovite Bonus**”) in the event a NI 43-101 compliant mineral resource valued over \$100,000,000 or more is established on the Muscovite Property, which may be satisfied through payment of cash or Shares, at the Company’s discretion. In the event the Company elects to issue Shares for the Muscovite Bonus (each, a “**Muscovite Bonus Share**”), pursuant to the Muscovite Amendment, the Muscovite Bonus Shares will be issued at a deemed floor price of \$2.42 per Muscovite Bonus Share.

Upon exercise of the Muscovite Option by the Company, the Company has agreed to grant a 2% net smelter returns royalty on the Muscovite Property in favor of the Optionor (the “**Muscovite NSR Royalty**”). The Company will have the irrevocable right to purchase 1.5% of the Muscovite NSR Royalty on the Muscovite Property from the Optionor at any time after the Muscovite Option is exercised for a purchase price of \$2,000,000.

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

For more information regarding the Option Agreement and the Muscovite Option Agreement, please see the Company’s prior news release dated January 30, 2023.

About Tearlach

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

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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.