

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

1844 Resources Inc. (the “**Company**” or “**1844**”)
Suite 602, 224 - 4th Avenue South
Saskatoon, Saskatchewan S7K 5M5

Item 2. Date of Material Change

December 30, 2024

Item 3. News Releases

News Release dated December 30, 2024 was disseminated via Newsfile Corp. and filed on SEDAR+ on December 30, 2024.

Item 4. Summary of Material Change

The Company has completed its previously announced non-brokered private placement of flow through units and raised gross proceeds of approximately \$456,500.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company has closed its previously announced non-brokered private placement of flow through units (each, a “**FT Unit**”). At closing, the Company issued 13,042,928 FT Units at a price of \$0.035 per FT Unit for aggregate gross proceeds of approximately \$456,500 (the “**FT Unit Offering**”).

Each FT Unit is comprised of one common share in the capital of the Company (a “**Common Share**”), to be issued as a “flow-through share” within the meaning of the *Income Tax Act* (Canada) (each, a “**FT Share**”), and one-half of one Common Share purchase warrant (each whole warrant, a “**FT Unit Warrant**”). Each FT Unit Warrant entitles the holder thereof to acquire one additional Common Share (a “**FT Unit Warrant Share**”) at an exercise price of \$0.05 per FT Unit Warrant Share for a period of 24 months following closing of the FT Unit Offering.¹

¹ For the avoidance of doubt, each FT Unit Warrant Share is a Common Share and such Common Share is not being issued as a flow-through share.

The Company intends to use the proceeds of the FT Unit Offering to incur resource exploration expenses that will constitute "Canadian exploration expenses" and "flow through mining expenditures" as defined in the *Income Tax Act* (Canada) (the "**Qualifying Expenditures**").

In connection with the FT Unit Offering, the Company paid cash finder's fees in the aggregate amount of \$15,040.20 and issued 429,720 non-transferable Common Share purchase warrants (each, a "**Finder's Warrant**") to certain eligible persons who referred investors to the Company, where permitted by applicable law and in accordance with the policies of the TSX Venture Exchange (the "**Exchange**"). Each Finder's Warrant will entitle the holder thereof to purchase a Common Share (a, "**Finder's Warrant Share**") at a price of \$0.05 per Finder's Warrant Share for a period of 24 months following closing of the FT Unit Offering.

All securities issued pursuant to the FT Unit Offering are subject to a statutory hold period expiring four months and one day after closing of the FT Unit Offering (expiring May 1, 2025).

Additionally, the Company intends to increase its previously announced non-brokered private placement of units of the Company (each, a "**Unit**") at a price of \$0.025 per Unit (the "**Unit Offering**") from aggregate gross proceeds of up to \$500,000 to aggregate gross proceeds of up to \$700,000. The increase in the Unit Offering is subject to approval by the Exchange.

None of the securities issued in the FT Unit Offering and the Unit Offering will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

Related Party Disclosure

A director of the Company subscribed to the FT Unit Offering for an aggregate of 400,000 FT Units. Such issuance of FT Units to the director of the Company constitutes a "related party transaction", as such term is defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

See Item 5.1 above.

(b) the purpose and business reasons for the transaction:

See Item 5.1 above.

- (c) **the anticipated effect of the transaction on the issuer's business and affairs:**

See Item 5.1 above.

- (d) **a description of:**

- (i) **the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

Mathieu Olivier (the “**Insider**”) is a director of the Company. Prior to the completion of the FT Unit Offering, the Insider had beneficial ownership and control over 3,624,000 Common Shares representing approximately 3.72% of the Company's issued and outstanding Common Shares on a partially diluted basis. Following completion of the FT Unit Offering, the Insider has beneficial ownership and control over 4,024,000 Common Shares and 400,000 Warrants, representing approximately 3.61% of the Company's current issued and outstanding Common Shares on a partially diluted basis.

- (ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

See item (d)(i) above.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

Resolutions approving the FT Unit Offering were unanimously passed by the board of directors of the Company on December 9, 2024.

- (f) **a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or senior officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the subscription agreements entered into with the Insider, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the FT Unit Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the FT Unit Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101, respectively, and the facts supporting reliance on the exemptions:**

The participation of the Insiders in the Offering each constitutes a related party transaction under MI 61- 101. The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(1)(a) of MI 61-101 as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves the Insider, exceeded 25% of the Company's market capitalization.

This material change report is being filed in connection with the participation of the Insider in the FT Unit Offering less than 21 days in advance of the closing of the FT Unit Offering, which the Company considers reasonable in the circumstances so as to be able to avail itself of potential financing opportunities and to complete the FT Unit Offering in an expeditious manner.

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 Officers

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Sylvain Laberge, President and Chief Executive Officer
Telephone: 514-702-9841.

Item 9. Date of Report

January 8, 2025