

Form 51 – 102F3

Material Change Report

1. Name and Address of Company

Magna Terra Minerals Inc. (“**Magna Terra**” or the “**Company**”)
20 Adelaide St. East
Suite 401
Toronto, Ontario
M5C 2T6

2. Date of Material Change

October 4, 2023.

3. News Release

Magna Terra issued a press release with respect to the material change described below on October 5, 2023.

4. Summary of Material Change

On October 4, 2023, Magna Terra completed an initial closing of its non-brokered private placement (the “**Private Placement**” or the “**Offering**”) totaling \$244,769.

5. Full Description of Material Change

5.1 Full Description of Material Change

On October 4, 2023, Magna Terra completed an initial closing of its non-brokered private placement of gross proceeds totalling \$244,769.

The full private placement of gross proceeds up to \$600,000 (the “**Offering**”) will consist of an issuance of common shares of the Company at a price of \$0.03 per share for a total issuance of up to 20,000,000 common shares.

The gross proceeds of the Offering will be used to incur expenditures on the Company’s properties. Below is a summary of the major categories applied to the gross proceeds as required by the policies of the TSX Venture Exchange, in addition to working capital requirements:

- 25% - Geophysical surveys;
- 15% - Geological and geochemical surveys;
- 13% - Mineral Resource update;
- Not more than 10% - Investor relations and strategic advisory work; and,
- The balance will be applied to working capital, finder’s fees, and other project expenses.

In this initial closing, the Company has issued 8,158,980 shares at a price of \$0.03 per share. Insiders of the Company participated in the first closing by acquiring an aggregate of 7,008,980 common shares for aggregate proceeds of \$210,269. More specifically, (i) Signal Gold Inc. has subscribed for 2,542,313 common shares at a price of \$0.03 per common share; (ii) Lew Lawrick,

the Chief Executive Officer and a director of the Company, has subscribed for 2,800,000 common shares at a price of \$0.03 per common share; and (iii) Bill Francis, the Chief Financial Officer of the Company, has subscribed for 1,666,667 common shares at a price of \$0.03 per common share.

Immediately after the closing of the Offering, and assuming the completion of a maximum Offering, (i) Signal Gold Inc. shall hold, directly and indirectly, 15,035,795 common shares of the Company (representing 16.3% of the outstanding common shares of the Company); (ii) Mr. Lawrick shall hold, directly and indirectly, or exercise control over 10,286,309 common shares (representing 11.2% of the outstanding common shares of the Company), 1,300,000 common share purchase warrants and 1,071,429 stock options of the Company; and (iii) Mr. Francis shall hold, directly and indirectly, or exercise control over 2,206,667 common shares (representing 2.4% of the outstanding common shares of the Company), 250,000 common share purchase warrants and 600,000 stock options of the Company.

Mr. Lawrick, a director of the Company, has disclosed his interest to the Board of the Directors of the Company pursuant to Section 120 of the Canada Business Corporations Act to the effect that he may participate in the private placement and subscribe to the common shares. The terms of the Offering and the agreements relating thereto were submitted to and unanimously approved by way of a resolution adopted by all the directors of the Company other than Mr. Lawrick. Mr. Lawrick did not vote on the resolution to approve the private placement and the agreements relating thereto. The remaining directors determined that the private placement was in the best interest of the Company.

Each of the insiders is considered a “related party” and an “insider” of the Company for the purposes of applicable securities laws and stock exchange rules. The subscription and issuance of common shares to each of the insiders constitute a related party transaction, but is exempt from the formal valuation and minority approval requirements of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”) as (i) the Company’s securities are not listed on any stock exchange identified in Section 5.7(b) of MI 61-101; (ii) neither the fair market value of the common shares to be distributed in the Offering nor the consideration to be received by the Company for the common shares, insofar as insider participation is concerned, exceeds \$2,500,000; and (iii) the Company has received the approval of the Offering from at least two-thirds of its independent directors in respect of the Offering.

In connection with the Private Placement, the Company may pay finder’s fees in cash or securities or a combination of both, as permitted by the policies of the TSX Venture Exchange. All securities issued pursuant to the Private Placement will be subject to a regulatory four month and one day hold period. It is anticipated that a second and final closing will occur on or before October 25, 2023. The Private Placement is subject to approval by the TSX Venture Exchange.

5.2 Disclosure required for a “Restructuring Transaction”

Not applicable.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

The executive officer who can answer questions regarding this report is Mr. Lew Lawrick, President and Chief Executive Officer of Magna Terra. Mr. Lawrick can be reached at (647) 478-5307.

9. Date of Report

October 13, 2023.