Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Damon Capital Corp. (the "Company")
Suite 303, 595 Howe Street Phone: (604) 336-8619
Vancouver, B.C. V6C 2T5

Item 2 Date of Material Change:

October 7, 2016

Item 3 News Release:

October 12, 2016 disseminated through the NewsWire.

Item 4 Summary of Material Change

On October 12, 2016 the Company and Arizona Silver Corporation announced that they have entered into a binding share exchange agreement (the "**Agreement**") dated October 7, 2016 with Arizona Silver's shareholders, whereby Damon will acquire all of the issued and outstanding shares of Arizona Silver (the "**Arizona Shares**") in exchange for the issuance of 5,587,700 shares in the capital stock of Damon (the "**Damon Shares**") to the shareholders of Arizona Silver. The acquisition of Arizona Silver (the "**Acquisition**") will constitute Damon's Qualifying Transaction as such term is defined in the policies of the TSX Venture Exchange (the "**Exchange**"). A copy of the Agreement was filed on SEDAR at www.sedar.com on October 11, 2016 under Damon's profile.

As disclosed in the Company's News Release dated August 26, 2016, it is a condition to closing of the Acquisition that Damon carry out a non-brokered private placement to raise minimum gross proceeds of C$750,000. In this regard, Damon has received subscriptions for 8,964,970 common shares of Damon at an issue price of C$0.10 on a private placement basis (for gross proceeds of $896,497) and has applied to the Exchange for the approval of same (the "**Financing**"). Certain insiders of the Company are expected to participate in the Financing. Such participation would be considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). The transaction will be exempt from the formal valuation and minority shareholder approval requirements under MI 61-101.

In connection with closing of the Financing and Acquisition, the Company will change its name to Arizona Silver Exploration Inc. (the "Resulting Issuer").

The closing of the Financing and Acquisition is expected to occur on or about October 18, 2016, following submission of the filing statement and final acceptance from the Exchange of the transactions, or such other date as the parties may agree pursuant to the terms of the Agreement.

Item 5 Full Description of Material Change

See attached News Release dated October 12, 2016.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:

N/A

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer:

Richard Barnett, Chief Financial Officer
Phone: (604) 718-2800

Item 9 Date of Report:

October 13, 2016

Per: SIGNED: "*Richard Barnett*"
Richard Barnett, CFO

Damon Capital Corp.
Suite 303, 595 Howe Street
Vancouver, B.C. V6C 2T5
Phone: (604) 336-8619
Fax: (604) 718-2808

Arizona Silver Corporation
P.O. Box 2428
Cortaro
Arizona 85652

DAMON CAPITAL CORP. AND ARIZONA SILVER CORPORATION ANNOUNCE SIGNING OF SHARE EXCHANGE AGREEMENT AND TERMS OF FINANCING

Vancouver, BC, October 12, 2016 **– Damon Capital Corp. (NEX:DAM.H) ("Damon" or the "Company")** and **Arizona Silver Corporation ("Arizona Silver")** are pleased to announce that, further to the Company's news release dated August 26, 2016 (the "**August 26 News Release**"), they have entered into a binding share exchange agreement (the "**Agreement**") dated October 7, 2016 with Arizona Silver's shareholders, whereby Damon will acquire all of the issued and outstanding shares of Arizona Silver (the "**Arizona Shares**") in exchange for the issuance of 5,587,700 shares in the capital stock of Damon (the "**Damon Shares**") to the shareholders of Arizona Silver. The acquisition of Arizona Silver (the "**Acquisition**") will constitute Damon's Qualifying Transaction as such term is defined in the policies of the TSX Venture Exchange (the "**Exchange**"). A copy of the Agreement was filed on SEDAR at www.sedar.com on October 11, 2016 under Damon's profile.

The Damon Shares to be issued to the Arizona Silver shareholders under the Acquisition will be subject to any restrictions on resale, including escrow restrictions, in accordance with applicable laws and as may be imposed by the Exchange. More detailed disclosure regarding the Acquisition is contained in the August 26 News Release and will be contained in the Company's filing statement to be filed with the Exchange and made available on SEDAR at www.sedar.com under the Company's profile.

As disclosed in the August 26 News Release, it is a condition to closing of the Acquisition that Damon carry out a non-brokered private placement to raise minimum gross proceeds of C$750,000. In this regard, Damon has received subscriptions for 8,964,970 common shares of Damon at an issue price of C$0.10 on a private placement basis (for gross proceeds of $896,497) and has applied to the Exchange for the approval of same (the "**Financing**"). Certain insiders of the Company are expected to participate in the Financing. Such participation would be considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). The transaction will be exempt from the formal valuation and minority shareholder approval requirements under MI 61-101.

In connection with closing of the Financing and Acquisition, the Company will change its name to Arizona Silver Exploration Inc. (the "Resulting Issuer").

The closing of the Financing and Acquisition is expected to occur on or about October 18, 2016, following submission of the filing statement and final acceptance from the Exchange of the transactions, or such other date as the parties may agree pursuant to the terms of the Agreement.

About Arizona Silver

Arizona Silver is a private British Columbia company which holds mining claims and mining leases covering the past-producing Ramsey Silver Mine in La Paz County, Arizona.

About Damon

Damon is a capital pool company incorporated under the laws of British Columbia and currently listed on the NEX board of the Exchange.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Damon should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

ON BEHALF OF THE BOARDS

DAMON CAPITAL CORP.

SIGNED: "*Joe Charland*"

Joe Charland, President and CEO

ARIZONA SILVER CORPORATION

SIGNED: "*Greg Hahn*"

Greg Hahn, Chairman and CEO

Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws relating to the proposal to complete the Financing, the Acquisition and associated transactions, including statements regarding the terms and conditions of such transactions. Readers are cautioned not to place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by such information depending on, among other things, the risks that the parties will not proceed with the Financing, the Acquisition and associated transactions, that the ultimate terms of the Financing, Acquisition and associated transactions will differ from those that currently are contemplated, and that the Financing, Acquisition and associated transactions will not be successfully completed for any reason (including the failure to obtain the required approvals from regulatory authorities). The statements in this news release are made as of the date hereof. The Company undertakes no obligation to update forward-looking information except as required by applicable law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release, and the TSX Venture Exchange has in no way passed upon the merits of the proposed Transaction.