

**FORM 51-102F3  
Material Change Report**

**Item 1 Name and Address of Company**

**Troubadour Resources** (the "Company")  
Suite 488, 625 Howe Street  
Vancouver, B.C. V6C 2T6  
Main 604. 681.0221

**Item 2 Date of Material Change**

March 5, 2019

**Item 3 News Release**

News release March 5, 2019 disseminated in via Newsfile Corp.

A copy of the Press Release is attached as Schedule "A".

**Item 4 Summary of Material Change**

Troubadour Resources is pleased to announce that it has signed a letter of intent with Surespan Ltd. (the "Shareholder" or "Surespan") and its wholly owned subsidiary, Privateer Gold Ltd. (the "Target" or "Privateer Gold") granting an option to the Company to acquire all of the issued and outstanding shares of Privateer Gold. Privateer Gold is the owner of the Surespan Gold Property, which encompasses the historic Zeballos high-grade gold mining camp ("Zeballos" or the "Property"), on the northwest coast of Vancouver Island, B.C.

Full Description of Material Change

**5.1 Full Description of Material Change**

For a full description of the material change, see Schedule "A".

**5.2 Disclosure for Restructuring Transactions**

Not Applicable.

**Item 5 Reliance on subsection 7.1(2) or (3) of National Instrument 51 102**

Not Applicable.

**Item 6 Omitted Information**

Not Applicable

**Item 7 Executive Officer**

Geoff Schellenberg, President  
Telephone: 604.681.0221

**Item 8 Date of Report**

**DATED at Vancouver, BC, this 5<sup>th</sup> day of March 5, 2019**

## SCHEDULE “A”

### **Troubadour Signs Letter of Intent to Acquire Historic Zeballos High-Grade Gold Mining Camp, B.C.**

Vancouver, British Columbia, Canada - March 5, 2019 - TROUBADOUR RESOURCES INC. (the “Company”) (TSX VENTURE: TR) is pleased to announce that it has signed a letter of intent with Surespan Ltd. (the “Shareholder” or “Surespan”) and its wholly owned subsidiary, Privateer Gold Ltd. (the “Target” or “Privateer Gold”) granting an option to the Company to acquire all of the issued and outstanding shares of Privateer Gold. Privateer Gold is the owner of the Surespan Gold Property, which encompasses the historic Zeballos high-grade gold mining camp (“Zeballos” or the “Property”), on the northwest coast of Vancouver Island, B.C.

#### **Key Highlights of the Acquisition Include:**

- Consolidated ownership of the historic Zeballos high-grade gold mining camp;
- Drilling conducted over the past two years by Privateer Gold encountered grades of up to 1,386.50 g/t Au over 0.30m at a downhole depth of 85m in the newly discovered 88 Vein;
- Exclusive 90-day due diligence period.
- Historic gold resource at the Privateer and Prident Mines of 122,470 measured tonnes grading 9.26 g/t Au and 324,772 indicated tonnes grading 15.09 g/t Au<sup>†</sup> (36,461 ounces Au measured and 157,565 ounces Au indicated);

*†The historical resource estimate is disclosed in Canadian Mines Handbook 1987-88. Although this historical mineral resource estimate is believed to be relevant and indicates exploration potential at this site, details of how the estimate was made: the key assumptions, parameters, and methods used to prepare the historical estimate are unknown or have not been reviewed, and/or the original assay results have not been verified by the Qualified Person. As the historical resource estimate was prepared in 1988 it does not use existing mineral resource categories under CIM. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the issuer is not treating the historical estimate as current mineral resources or mineral reserves.*

Zeballos was the site of a major gold rush in the early 1930s that witnessed the rapid escalation of development to nine (9) significant mining operations at Zeballos’ peak production in 1940. Zeballos witnessed a forced reduction of mining activity thereafter due to the lack of miners caused by the war with a total cessation of all operations by 1944. After the war mining operations were reinitiated, but due to a moratorium severely impairing the price of gold at \$35 per ounce, all operations were ceased once again. The Surespan Gold Property is made up of crown granted mineral claims and mineral tenures that cover approximately 13km<sup>2</sup> and is located on the west coast of Vancouver Island about 180km northwest of Vancouver, British Columbia.

The historic fragmented ownership of properties within the Zeballos camp over many decades has limited the concerted advancement of the camp. The recent ownership consolidation incorporating the majority of the camp’s significant past producers (e.g. the Privateer, Prident, White Star, Golden Peak, Gold Field,

Spud Valley and Mount Zeballos mines) along with additional important surrounding ground presents a unique opportunity for Troubadour to advance and attempt to unlock a major historic high-grade gold mining camp. The recent discovery of the 88 Vein in the first modern day drill hole completed on the Property, provides evidence of this potential. Drill intercepts on the 88 Vein include 1,386.50 g/t Au over 0.30m, 1,218.75 g/t Au over 0.20m and 436.17 g/t Au over 0.50m.

**Table of Significant Drill Intercepts from 2017 and 2018 Drilling**

Significant Intersections 2017 Diamond Drilling						
Hole	From (m)	To (m)	Length (m)*	Au (g/t)	Sample ID	Note
Z17-01	87.65	87.95	0.30	<b>121.83</b>	A00215502	<sup>1</sup>
Z17-03	92.35	92.40	0.05	<b>171.00</b>	A00215507	<sup>2</sup>
Z17-04	91.60	91.75	0.15	27.20	A00215511	<sup>2</sup>
Z17-06	191.35	191.85	0.50	<b>436.17</b>	A00215579	<sup>1</sup>
Z17-07	201.40	201.80	0.40	5.70	A00215530	<sup>1</sup>
Z17-11	62.45	62.70	0.25	<b>79.30</b>	A00215541	<sup>1</sup>
Z17-11	62.70	62.90	0.20	<b>79.20</b>	A00215542	<sup>1</sup>
Z17-13	373	373.2	0.20	46.20	A00215554	<sup>1</sup>
Z17-14	87.41	87.58	0.17	<b>1289.60</b>	A00215558	<sup>1</sup>
Z17-15	88.50	88.60	0.10	41.25	A00215562	<sup>1</sup>
Z17-16	125.7	125.85	0.15	51.44	A00215564	<sup>1</sup>
Z17-17	118.20	118.30	0.10	<b>168.51</b>	A00215567	<sup>1</sup>
Z17-18	106.70	107.90	1.20	15.47	A00215572	<sup>1</sup>
Z17-19	105.80	105.90	0.10	<b>1081.24</b>	A00215573	<sup>1</sup>
Z17-19	106.40	106.50	0.10	<b>149.10</b>	A00215574	<sup>3</sup>
Z17-20	109.55	109.65	0.10	<b>143.50</b>	A00215576	<sup>3</sup>
Z17-22	92.80	93.00	0.20	<b>1218.75</b>	A00215591	<sup>3</sup>
Z17-23	64.60	64.75	0.15	79.25	A00215595	<sup>1</sup>
Z17-27	193.70	193.80	0.10	41.39	A00215607	<sup>1</sup>
Z17-30	163.70	164.00	0.30	19.20	A00215617	<sup>1</sup>
Z17-31	82.85	83.00	0.15	86.50	A00215621	<sup>1</sup>
Z17-34	85.30	85.60	0.30	<b>1386.50</b>	A00215635	<sup>1</sup>
Significant Intersections 2018 Diamond Drilling						
Z18-01	218.78	219.00	0.22	<b>73.40</b>	A00215774	<sup>2</sup>
Z18-02	61.50	62.05	0.55	24.20	A00215792	<sup>2</sup>
Z18-08	122.00	122.50	0.50	45.60	15959	<sup>2</sup>
Z18-17	12.00	12.59	0.59	27.50	A00333667	<sup>2</sup>
Z18-17	81.25	81.80	0.55	<b>142.00</b>	A00333671	<sup>2</sup>
Z18-19	63.00	64.00	1.00	25.00	A00333733	<sup>2</sup>
Z18-21	67.85	68.15	0.30	28.70	A00333767	<sup>2</sup>
Z18-21	159.53	159.87	0.34	<b>83.50</b>	A00333811	<sup>2</sup>
Z18-25	50.83	51.20	0.37	<b>67.50</b>	A00343512	<sup>2</sup>
Z18-25	56.40	56.80	0.40	23.10	A00343523	<sup>2</sup>
Z18-25	57.16	57.55	0.39	18.40	A00343525	<sup>2</sup>
Z18-26	61.64	61.94	0.30	31.80	A00343572	<sup>2</sup>
Z18-27	153.75	154.05	0.30	15.40	A00343587	<sup>2</sup>

\*Drill intercept lengths disclosed herein are expressed along drill core axis and do not represent true thickness of mineralization. There has been insufficient work to determine true thickness and further work is needed to determine the relationship between core intercept length and true thickness.

\*\*Au values in grams (g) per tonne (t)

<sup>1</sup> Blue Coast Research Group: Au Screen Metallics

<sup>2</sup> SGS Minerals Au Metallic Screen GO-FAS31K

<sup>3</sup> Blue Coast Research Group: Au/FA/AA

<sup>1</sup>Blue Coast Research Ltd. is an independent commercial laboratory located in Parksville, British Columbia was assigned to prep and conduct either a metallic screen of fire assay <sup>2</sup>SGS Minerals is an independent commercial laboratory that is an accredited testing lab to ISO/IEC 17205:2005.

To put the scope of Zeballos in perspective, gold production between 1934 and 1948 totaled 287,811 ounces of gold and 124,700 ounces of silver<sup>(1)</sup> of which 90% was mined in a 6-year period. This limited period of production speaks to the potential and underexplored nature of the Zeballos camp.

The Company believes that the consolidation of ownership of this historic gold camp is pivotal to the success of its development. Previous operators have tried and ultimately failed to effectively develop and exploit resources in the camp due to the fractional ownership that has been present since the 1930's when the Zeballos gold camp was discovered. Historic total production of the Zeballos Camp to 1982 amounted to 333,783 tonnes of milled ore which produced 304,309 ounces of gold<sup>(2)</sup> and the Surespan Gold Property encompasses the ground that accounted for 99% of this production.

Due to the disjointed ownership in the past, there has not been a comprehensive review of data from the entire Zeballos Camp specifically aimed at evaluating the possible relationships of mineralized vein systems from numerous past-producing mines in the area. As part of the agreement's due diligence period, the Company will focus on the historic resources, the potential to expand on the newly discovered 88 Vein as it is open along strike and at depth, and to evaluate the data to identify new target areas.

President and Director Geoff Schellenberg states, "We are thrilled to be acquiring this exceptional asset and working closely with Surespan to discover and develop the true potential of this property. We are confident that the market's enthusiasm for high-grade epithermal gold properties combined with the outstanding merits of the Zeballos property will firmly position Troubadour to capitalize on the growing momentum in the gold sector."

"We at Privateer Gold are excited by this opportunity to advance our historic Zeballos Gold Project. The thought of these long dormant mines coming to life under the stewardship of the Troubadour management is, to say the least, stimulating. Their reputation for integrity and our belief in them, was key to getting the deal done." states Nigel Bester, President and CEO of the Surespan Group of Companies.

### **Terms of the Acquisition**

Under the terms of the letter of intent, the parties agreed to negotiate and settle the terms of a binding definitive agreement (the "Definitive Agreement"), in order to exercise the Option, the Company will issue and/or pay to the Shareholder the following consideration for a period of two years from the date of the Definitive Agreement (the "Option Period"):

- Issue such number of common shares, together with any shares subscribed for by Surespan under a private placement of the Company, equal to or less than 19.5% of the issued and outstanding shares of the Company (the “First Payment”);
- Issue 7,500,000 common shares of the Company (the “Second Payment Shares”) on the first anniversary date of the Definitive Agreement, provided that if (i) the Second Payment Shares results in Surespan becoming a Control Person (as defined by the rules of the TSX Venture Exchange) of the Company, and (ii) the Company has not obtained shareholder approval of Surespan becoming a Control Person of the Company, the Company shall pay to Surespan \$1,125,000 in lieu of the Second Payment Shares. In the event that shareholder approval is not obtained and Surespan does not accept the foregoing cash payment, Privateer Gold may elect to terminate the Option; and
- Issue 6,000,000 common shares of the Company (the “Third Payment Shares”) on the second anniversary date of the Definitive Agreement provided that if (i) the Third Payment Shares results in Surespan becoming a Control Person (as defined by the rules of the TSX Venture Exchange) of the Company, and (ii) the Company has not obtained shareholder approval of Surespan becoming a Control Person of the Company, the Company shall pay to Surespan \$1,500,000 in lieu of the Third Payment Shares. In the event that shareholder approval is not obtained and Surespan does not accept the foregoing cash payment, Privateer Gold may elect to terminate the Option.
- The Company will also be required to incur exploration expenditures of \$350,000 prior to the first anniversary of the Definitive Agreement and a further \$650,000 prior to the second anniversary of the Definitive Agreement.

The Company will also make a one-time issuance of an additional 2,000,000 common shares of the Company (the “Milestone Payment”) upon the earlier of the property entering into commercial production or the Company prepares and announces a resource totaling 750,000 ounces of gold (which amount cannot be ounces of gold equivalent) contained within the Property.

During the Option Period, Surespan may provide a bridge loan to Privateer Gold in the amount of up to \$250,000 for certain road works on the Property. The convertible loan will bear interest at 8% per annum and be convertible until common shares of the Company at a price of \$0.10 per share provided that the Company exercises the Option.

The Company will grant a royalty equal to 2% of the net smelter return on the property (the “Royalty”) and the Company, at any time, may purchase one half of the Royalty at a price equal to \$1,000,000.

The transaction is an arm’s length transaction and a finder’s fees in common shares equal to 7% of the First Payment.

The Agreement and the transactions contemplated therein are subject to the acceptance of the TSX Venture Exchange.

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## About Surespan

Founded in 1977, Surespan is a recognized construction specialist providing world-class service and supply to the heavy civil construction, energy and industrial sectors of Canada's economy. Surespan is a vertically integrated company whose subsidiaries and related companies have the ability to provide services from conceptual design to construction services in the form of pre-engineering and construction management, construction engineering services, precast and post-tensioned concrete, ready-mix concrete, equipment rentals, metal fabrication, high voltage electrical services, wind turbine erection, and general construction services.

## QA / QC

Privateer Gold Ltd has implemented thorough quality assurance/quality control programs for the 2017 and 2018 diamond drilling programs using best industry practices. All drill core is logged for geology, alteration, structure, veining, mineralization and geotechnical parameters and sections with gold and sulphide mineralization are marked for sampling by a geologist and that an industry recognized gold Certified Reference Material and blanks are inserted in to the sampling stream within industry best practice volumes for QA/QC purposes. Prior to being split by core saws, the core trays are photographed for record keeping and all samples were delivered by hand to corresponding labs by the Mine Manager/Project geologist.

2017 Drill core samples dispatched to <sup>1</sup>Blue Coast Research Ltd., an independent commercial laboratory located in Parksville, British Columbia, were analyzed for gold by fire assay with either AA or gravimetric determination of the gold or a Gold Metallic Screen. Sample preparation for gold by Fire Assay involved crushing the sample with >70% passing 10 mesh (1.7mm) and a 200g portion is riffle split and further pulverized by hard steel. Analysis by a "Gold Screen Metallics" procedure involved a representative crush sample is pulverized and screened on a 75-micron screen that is repeated until an approximately 30g plus fraction and a combined portion of the minus fraction are collected and homogenized separately. The plus and minus fractions are weighed. The plus fraction is assayed to extinction and the minus fraction is assayed in replicate. A metallurgical balance including the weights and assays of both products yields the results.

Screen metallics testing were conducted at SGS for select significant intersections from the 2017 drilling and all significant intersections from the 2018 drilling. SGS Minerals is an independent commercial laboratory that is an accredited testing lab to ISO/IEC 17205:2005. Sample were dried then crushed to approximately 9 mesh. Samples are split using a 14 slot, 3/4 inch splitter that divides the sample into 2 portions (pulp and reject). A representative head sample of which is within ~10% of the required sample weight is riffled. Typically, this would be a 500-gram sample, pulverized with a Cr-steel ring pulverizer, to 85% passing 75 microns. The entire head sample is pulverized then screened using a Ro-tap assembly to a specified micron size (based on scheme selected) to ensure target weight is obtained. The entire plus fraction is submitted to the lab for analysis to extinction. Two aliquots are riffled from the minus fraction and submitted for analysis (weight of these aliquots may be 30g or 50g; weight may be client specified). Final assays are weight ratioed back to the representative sample weight. Lead collection by fire assay with gravimetric or instrumentation (ICP-OES or AAS) finish depending on sample concentration and the detection limit required.

It is the QP's opinion that geological data capture, QA/QC, sample preparation, security and analyses performed to date on all samples meet industry recognized best practice standards for this type of mineralization.

### **Amarillo Property Exploration Update**

The company is in receipt of assay results from its initial four-hole, 1,341 meter drill program. Drilling returned anomalous copper values within 100m of surface that are coincident with anomalous surface grab samples and is also in alignment with moderate to strong chargeable bodies. The character and scale of propylitic alteration that is associated with anomalous Copper values is consistent with the nearby past-producing Brenda Mine and supports the interpretation that the recent drilling is within the peripheral zones of a larger mineralizing porphyry system.

Drill testing to date is limited and this targeted area of the property remains highly prospective with the results directing future drilling towards the more pronounced mineral vectors. Drill hole AMAR18-004 is of particular interest and contained the most encouraging copper values and alteration and was drilled down slope away the strongest chargeability response in this portion of the extensive 1km Trench Anomaly. The Company is using this information to help guide us in selecting targets for a follow-up drill program planned for the coming months in addition to the other high-value exploration targets outside of the Trench Anomaly zone.

### **About Troubadour Resources Inc.**

The Company has been engaged in the acquisition and preliminary exploration of its 100% owned Amarillo Project located approximately 30 kilometres west of the town of Peachland and 71 kilometres northeast of the town of Princeton, in southwestern British Columbia, Canada.

The Amarillo Project consists of seven (7) mineral tenures totalling 4,178 hectares and is situated within the heart of a major mining district. The Amarillo Project exhibits areas enriched in copper, molybdenum and gold; in addition to areas host to skarn-style mineralization highly anomalous in tungsten.

The multi-element geochemical signature of the Amarillo Project is consistent with a large multi-phase mineralizing system and is acutely similar to some of the neighbouring mining operations; such as the Brenda Cu-Mo-Ag-Au porphyry mine located 10 kilometres to the north that produced 278,000 tonnes of copper, 66,000 tonnes of molybdenum, 125 tonnes of silver and 2 tonnes of gold over a twenty-year mine life (source: Brenda Mines website).

Troubadour's exploration team has worked diligently to define a 4 km long copper soil anomaly and IP chargeability anomaly that is coincident with a historic trench that was reported in 1966 grading 0.87% copper over 125 metres<sup>(3)</sup>. Over the intervening period from the 1960's, the area received limited exploration such that the trench was subsequently mislocated. The opportunity was lost until recent when the Company rediscovered the trench, acquired the surrounding ground and is now intent on unlocking its potential.

Patrick McLaughlin, P. Geo., a Qualified Person as defined by NI 43-101, has reviewed and approved the contents of this news release.

- (1) *Source: Bulletin 27, Geology and Mineral Deposits of the Zeballos Mining Camp, John S. Stevenson, 1950*
- (2) *Zeballos Camp Historic Production Source: Hanson and Sinclair, Geological Fieldwork 1982 Summary, Province of British Columbia Ministry of Energy, Mines and Petroleum Resources.*
- (3) *Trench Data Source: Philip, R.H.D. 1967; EMPR Assessment Report 01141 and Sutherland, Ian G. 1978; EMPR Assessment Report 07790.*

*Historical information is presented for historical reference only and cannot be relied upon as the Company's QP, as defined under NI 43-101, has not prepared nor verified the historical information.*

### **Forward Looking Information**

*Except for historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially. Except as required pursuant to applicable securities laws, the Company will not update these forward-looking statements to reflect events or circumstances after the date hereof. More detailed information about potential factors that could affect financial results is included in the documents filed from time to time with the Canadian securities regulatory authorities by the Company. Readers are cautioned not to place undue reliance on forward looking statements.*

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