

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

**1. Name and Address of Company**

Xander Resources Inc. (the “**Company**”)  
Suite 3302 – 939 Homer Street  
Vancouver, BC V6B 2W6

**2. Date of Material Change**

May 20, 2020

**3. News Release**

The news release was disseminated through Stockwatch and Baystreet on May 20, 2020.

**4. Summary of Material Change**

The Company announced that, further to its new release dated April 30, 2020, it has closed its previously announced non-brokered private placement (the “**Offering**”) of 10% unsecured convertible debentures (the “**Convertible Debentures**”) for total gross proceeds of \$75,000 at a price of \$1,000 and integral multiples thereof per Convertible Debenture.

**5. Full Description of Material Change**

*5.1 Full Description of Material Change*

The Company announced that it closed the Offering of its 10% Convertible Debentures for total gross proceeds of \$75,000. The Convertible Debentures bear interest at a rate of 10% per annum (the “**Interest**”), payable in arrears annually until the earlier of the Maturity Date (as defined below) or the date of any conversion thereof. The Convertible Debentures will mature on the date that is two (2) years from the date of issuance (the “**Maturity Date**”).

The Convertible Debentures are convertible into common shares in the capital of the Company (each, a “**Share**”), at the option of the holder, at a price of \$0.05 per Share for a period of one year after the date of issuance (the “**Closing**”) and at \$0.10 per Share thereafter, as applicable, at any time prior to the Maturity Date, subject to adjustment. At the time of any Interest payment, such Interest may be paid, at the option of the Company, in cash or by the issuance of Shares at the price per Share equal to the Market Price (as defined in the Policies of the TSX Venture Exchange (“**TSXV**”)), subject to adjustment.

The Company may prepay, in cash, any or all of the Convertible Debentures at any time prior to the Maturity Date upon not less than thirty (30) business days’ prior written notice for an amount equal to the principal amount of the Convertible Debentures then outstanding plus any accrued but unpaid Interest.

The proceeds of the Offering will be used for general working capital purposes and to cover certain operational and general and administrative expenses including those related to legal, accounting and audit services.

See Item 4 above and the attached news release for a full description of the material change.

**Disclosure Required by MI 61-101**

Officers of the Company acquired Convertible Debentures in the aggregate principal amount of \$14,500 under the Offering, thereby making this portion of the Offering a “related party transaction” as defined in 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:*

The Company entered into a subscription agreement with Dwayne Yaretz, a director of the Company, whereby Mr. Yaretz purchased \$9,500 Convertible Debentures of the Company.

The Company entered into a subscription agreement with 1282803 Ontario Inc., a company owned and controlled by James Fairbairn, the Chief Financial Officer of the Company, whereby Mr. Fairbairn purchased \$5,000 Convertible Debentures of the Company.

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

Proceeds from the Offering are expected to be used for general working capital purposes and to cover certain operational and general and administrative expenses including those related to legal, accounting and audit services.

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

Proceeds from the Offering are expected to be used for general working capital purposes and to cover certain operational and general and administrative expenses including those related to legal, accounting and audit services.

*(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:*

See item (a).

*(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:*

The following table sets out the effect of the Offering on the percentage of securities of the Company beneficially owned or controlled by Dwayne Yaretz and James Fairbairn:

Name and Position	Dollar Amount of Shares Purchased	Number of Securities Purchased	No. of Shares Held prior to Closing of the Offering	Percentage of Issued and Outstanding Shares prior to Closing of the Offering	No. of Shares Held After Closing of the Offering	Percentage of Issued and Outstanding Shares After Closing of the Offering
Dwayne Yaretz, Director	\$9,500	Unsecured Convertible Debenture	Undiluted: 0 Diluted: 125,000 <sup>(1)</sup>	Undiluted: 0% Diluted: 1.09% <sup>(2)</sup>	Undiluted: 0 Diluted: 315,000 <sup>(3)</sup>	Undiluted: 0% Diluted: 2.70% <sup>(4)</sup>
James Fairbairn, CFO	\$5,000	Unsecured Convertible Debenture	Undiluted: 0 Diluted: 50,000 <sup>(5)</sup>	Undiluted: 0% <sup>(2)</sup> Diluted: 0.44% <sup>(6)</sup>	Undiluted: 0 Diluted: 150,000 <sup>(7)</sup>	Undiluted: 0% <sup>(5)</sup> Diluted: 1.31% <sup>(8)</sup>

<sup>(1)</sup> Comprised of: (i) 125,000 stock options (each, an “**Option**”) held directly, each of which is exercisable into one Share at a price of \$0.05 per Share until May 4, 2025.

<sup>(2)</sup> Based on 11,467,541 Shares outstanding on a partially-diluted basis prior to the completion of the Offering, comprised of: (i) 11,342,541 outstanding prior to the completion of the Offering, and (ii) 125,000 Shares that may be issued on exercise of Options held directly.

<sup>(3)</sup> Comprised of: (i) 125,000 Options held directly, each of which is exercisable into one Share at a price of \$0.05 per Share until May 4, 2025, and (ii) 190,000 Shares that may be issued upon conversion of a convertible debenture (each, a “**Debenture**”) at a minimum conversion price of \$0.05 per Share.

<sup>(4)</sup> Based on 11,657,541 Shares outstanding on a partially-diluted basis prior to the completion of the Offering, comprised of: (i) 11,342,541 outstanding prior to the completion of the Offering, (ii) 125,000 Shares that may be issued on exercise of Options held directly, (iii) 190,000 Shares that may be issued upon conversion of Debentures held directly

<sup>(5)</sup> Comprised of: (i) 50,000 Options held directly, each of which is exercisable into one Share at a price of \$0.05 per Share until May 4, 2025.

<sup>(6)</sup> Based on 11,392,541 Shares outstanding on a partially-diluted basis prior to the completion of the Offering, comprised of: (i) 11,342,541 outstanding prior to the completion of the Offering, and (ii) 50,000 Shares that may be issued on exercise of Options held directly.

<sup>(7)</sup> Comprised of: (i) 50,000 Options held directly, each of which is exercisable into one Share at a price of \$0.05 per Share until May 4, 2025, and (ii) 100,000 Shares that may be issued upon conversion of a Debentures at a minimum conversion price of \$0.05 per Share.

<sup>(8)</sup> Based on 11,492,541 Shares outstanding on a partially-diluted basis prior to the completion of the Offering, comprised of: (i) 11,342,541 outstanding prior to the completion of the Offering, (ii) 50,000 Shares that may be issued on exercise of Options held directly, (iii) 100,000 Shares that may be issued upon conversion of Debentures held directly.

*(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.*

A resolution of the board of directors was passed on May 20, 2020 which approved the Offering, with Dwayne Yaretz abstaining from voting in part. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

*(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 related 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 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:*

See item (a).

*(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 Offering is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in section 5.5(a) and 5.7(1)(a) of MI 61-101, since neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Offering, insofar as it involves interested parties, exceeds 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the closing of the Offering, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

## **7. Omitted Information**

None.

**8. Executive Officer**

James Fairbairn, Chief Financial Officer, 416-729-9344

**9. Date of Report**

May 25, 2020.

**XANDER RESOURCES INC.**  
Suite 3302 - 939 Homer Street  
Vancouver, BC V6B 2W6

FOR IMMEDIATE RELEASE

May 20, 2020

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**Xander Closes 10% Convertible Debenture Financing**

**Xander Resources Inc.** (TSXV: XND) (the “**Company**”) is pleased to announce that, further to its new release dated April 30, 2020, it has closed its previously announced non-brokered private placement (the “**Offering**”) of 10% unsecured convertible debentures (the “**Convertible Debentures**”) for total gross proceeds of \$75,000 at a price of \$1,000 and integral multiples thereof per Convertible Debenture.

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The proceeds of the Offering will be used for general working capital purposes and to cover certain operational and general and administrative expenses including those related to legal, accounting and audit services.

Officers of the Company acquired Convertible Debentures in the aggregate principal amount of \$14,500 under the Offering, thereby making this portion of the Offering a “related party transaction” as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Accordingly, this portion of the Offering will be exempt from the need to obtain minority shareholder and a formal valuation as required by MI 61-101 as the Company is listed on the TSXV and the fair market value of the Convertible Debentures to insiders or the consideration paid by insiders of the Company is not expected to exceed 25% of the Company’s market capitalization. No new insiders were created, nor were there any changes of control as a result of the Offering.

The Convertible Debentures and the Shares issuable upon conversion of the Convertible Debentures will be subject to a statutory hold period expiring on the date that is four months and one day after Closing.

The securities of the Company have not been, and will not be, registered under the *U.S. Securities Act of 1933*, as amended (the “**1933 Act**”) or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the 1933 Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

On behalf of the Board of Directors,

“Rodney Ireland”

Rodney Ireland, Chief Executive Officer

Tel: 226-257-8994

Email: [rodney@xanderresources.ca](mailto:rodney@xanderresources.ca)

*Neither 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.*

#### **Cautionary Statement Regarding Forward-Looking Statements**

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements with respect to the Offering and the expectations of management regarding the use of proceeds. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements including, but not limited to, that the proceeds of the Offering may not be used as stated in this news release as well as those additional risks set out in the Company’s public documents filed on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release. Except where as required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.