

FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Deveron Resources Ltd. (the “**Company**”)
36 Toronto Street, Suite 1000
Toronto, Ontario M5C 2C5

2. **Date of Material Change**

June 23, 2016

3. **News Release**

A press release disclosing the material change was released on June 27, 2016, through the facilities of Marketwired.

4. **Summary of Material Change**

The Company announced that it has closed its previously announced non-brokered private placement by issuing 3,621,000 units (“**Units**”) at a price of \$0.20 per Unit for gross proceeds of \$724,200 (the “**Offering**”). Each Unit is comprised of one common share (a “**Common Share**”) in the capital of the Company and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one Common Share for a period of twenty-four (24) months from the closing of the Offering at a price of \$0.30 per Common Share.

5. **Full Description of Material Change**

The Company completed its previously announced non-brokered private placement financing comprising of 3,621,000 Units at a purchase price of \$0.20 per Unit for gross proceeds of \$724,200.

Each Unit is comprised of one Common Share and one half of a Warrant. Each full Warrant will entitle the holder thereof to purchase one additional Share (a “**Warrant Share**”) at an exercise price of \$0.30 per Warrant Share for a period of 24 months from the date of closing of the Offering.

In connection with the closing of the Offering, the Company paid finder’s fees of \$28,210 in cash and issued 141,050 non-transferable finder’s warrants (“**Finder’s Warrants**”). Each finder Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.20 for a period of 18 months from the date of closing of the Offering.

The securities underlying the Units, including the Common Shares, Warrants and Warrant Shares issuable upon due exercise of the Warrants and Finder's Warrants, will all be subject to a four-month and a day statutory hold period which expires on October 24, 2016. Closing of the Offering remains subject to receipt of all necessary regulatory approvals.

In connection with the Offering, Greencastle Resources Ltd. (“**Greencastle**”), (TSX-V: VGN) has subscribed for 875,000 units. Upon completion of the Offering, Greencastle will own 8,631,005 Common Shares of the Issuer representing approximately 56% of the Issuer’s issued and outstanding Common Shares on a non-diluted basis. If Greencastle were to exercise all of its convertible securities it would own 15,099,595 Common Shares, representing approximately 69% of the Company’s then outstanding Common Shares, on a partially diluted basis.

A copy of the early warning report that Greencastle will file will be made available on SEDAR (www.sedar.com).

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

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

In connection with the Offering, 900,000 Units were acquired by insiders of the Company.

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

The proceeds of the Offering will be used for working capital purposes.

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

The completion of the Offering will provide the Company with funds to be used for working capital purposes.

(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:

C. Marrelli Services Limited, an entity controlled by Carmelo Marrelli, the Chief Financial Officer of the Company, subscribed for 25,000 Units of the Company.

Greencastle Resources Ltd., a significant shareholder of the Company, subscribed for 875,000 Units of the Company.

(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:

Following completion of the Offering, Mr. Marrelli, owns or controls, directly and indirectly, 25,000 Common Shares, representing approximately 0.16% of the issued and outstanding Common Shares. In addition, Mr. Marrelli owns Warrants to purchase 12,500 Common Shares of the Company and 100,000 options of the Company exercisable into Common Shares. Assuming the exercise of convertible securities, Mr. Marrelli would own or control, directly and indirectly, an

aggregate of 137,500 Common Shares or approximately 0.9% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Following completion of the Offering, Greencastle Resources Ltd. owns 8,631,005 Common Shares, representing approximately 56% of the issued and outstanding Common Shares. In addition, Greencastle Resources Ltd. owns Warrants to purchase an aggregate of 6,468,590 Common Shares of the Company. Assuming the exercise of convertible securities, Greencastle Resources Ltd. would own an aggregate of 15,099,595 Common Shares or approximately 69% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

- (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 June 23, 2016 approving the Offering. 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 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 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 a subscription agreement to purchase the Units pursuant to the Offering, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the 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 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 Offering constituted a related party transaction within the meaning of MI 61-101 as insiders of the Company subscribed for an aggregate of 900,000 Units. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the first tranche of the private placement, which the Company deems reasonable in the circumstances in order to avail itself of the proceeds of the private placement and complete the first tranche of the Offering in an expeditious manner.

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

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

For further information, contact David MacMillan, VP Corporate Development of the Company at (416) 367-4571.

9. **Date of Report.**

This report is dated at Toronto, this 30th day of June, 2016.

DEVERON RESOURCES LTD.

Per: “David MacMillan” (Signed)
David MacMillan
VP Corporate Development