FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Avarone Metals Inc. (the "**Company**")
Suite 610, 700 West Pender Street
Vancouver, BC
Canada V6C 1G8

Item 2 Date of Material Change

July 8, 2016

Item 3 News Release

The news release attached hereto as Schedule "A" announcing the material change described herein was disseminated through the news dissemination services of Stockwatch and Baystreet on July 8, 2016.

Item 4 Summary of Material Change

The Company announced it had closed the initial tranche of a non-brokered private placement ("First Tranche"), issuing a total of 1,750,000 units for gross proceeds of $140,000. Each unit consisted of one (1) common share and one-half (1/2) common share purchase warrant, whereby each full warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from closing at an exercise price of $0.12 per share.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please see the press release attached as Schedule "A" for a full description of the material change.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Marc Levy
Chief Executive Officer and Director
Telephone: (604) 669-9788

Item 9 Date of Report

July 8, 2016

SCHEDULE "A"

AVARONE METALS INC.
Suite 610, 700 West Pender Street
Vancouver, BC Canada V6C 1G8

AVARONE METALS INC. CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT

July 8, 2016 CSE: AVM

Vancouver, B.C., July 8, 2016 – Avarone Metals Inc. (CSE: AVM) (Frankfurt: W2U1; WKN: A14SVX) (the "**Company**" or "**Avarone**") is pleased to announce that it has closed the initial tranche of a non-brokered private placement ("First Tranche"), issuing a total of 1,750,000 units for gross proceeds of $140,000. Each unit consisted of one (1) common share and one-half (1/2) common share purchase warrant, whereby each full warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from closing at an exercise price of $0.12 per share.

The proceeds from the First Tranche will be used to conduct further exploration at the Company's Moab Lithium Project in the South Big Smoky Valley, Nevada, and for general working capital purposes.

The securities distributed under the First Tranche are subject to a statutory hold period of four months plus one day from the date of issuance.

A director and officer of the Company participated in the First Tranche by purchasing an aggregate of 250,000 units. Accordingly, the First Tranche constituted to that extent a related party transaction as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as neither the fair market value of any shares issued to, nor the consideration paid by such persons, exceeded 25% of the Company's market capitalization. Further, neither the Company nor the related party has knowledge of any material information concerning the Company or its securities that has not been generally disclosed.

On behalf of the Board of Directors,

AVARONE METALS INC.

Marc Levy
CEO

For more information contact the Company at:
Telephone: (604) 669-9788
Facsimile: (604) 669-9768

Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. We seek Safe Harbor.