FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Issuer

Tenet Fintech Group Inc. (the "**Issuer**")
119 Spadina Avenue, Suite 705
Toronto, ON M5V 2L1

2. Date of Material Change

August 1, 2023

3. News Release

A news release was disseminated on August 1, 2023 through Newsfile Corp. and a copy of the news release has been filed under the Issuer's SEDAR profile at www.sedarplus.ca.

4. Summary of Material Change

On August 1, 2023, the Issuer completed a first tranche closing (the "**First Tranche Closing**") of a financing (the "**Financing**") by way of non-brokered private placement for gross proceeds of approximately CAD$2,598,000.

5. Full Description of Material Change

On August 1, 2023, the Issuer completed the First Tranche Closing of the Financing by way of non-brokered private placement for gross proceeds of approximately CAD$2,598,000. Pursuant to the First Tranche Closing, the Issuer sold 2,598 units (the "**Units**") comprised of convertible debentures and warrants by way of non-brokered private placement financing at a price of CAD$1,000 per Unit for gross proceeds of approximately CAD$2,598,000.

Each Unit sold in the First Tranche Closing is comprised of: (i) one 10.0% non-secured convertible debenture of the Issuer in the principal amount of CAD$1,000 (a "**Convertible Debenture**"); and (ii) 4,000 warrants (the "**Warrants**") to purchase common shares of the Issuer (the "**Common Shares**"). The Convertible Debentures will mature 36 months from the date of issuance (the "**Maturity Date**") and, subject to prior conversion in accordance with their terms, will be repaid in cash at the Maturity Date. Each Warrant will be exercisable to acquire one Common Share (each, a "**Warrant Share**") at an exercise price of CAD$0.50 per Warrant Share for a period of 24 months from the date of issuance thereof.

From the date of issue until the Maturity Date, Convertible Debenture holders may elect to convert, in whole or in part, the face value of the Convertible Debentures into Common Shares at a conversion price of CAD$0.25 per Common Share. At any time prior to the Maturity Date, if the Common Shares trade at a price of CAD$5.00 or more for three consecutive trading days, any non-converted and remaining face value of the Convertible Debentures will be automatically converted into Common Shares at a conversion price of CAD$0.25 per Common Share. Upon the conversion of the Convertible Debentures, the Issuer will pay to the Convertible Debenture holders, in cash, the interest accrued on the Convertible Debentures for the amount converted up to but excluding the date of conversion.

The Convertible Debentures bear interest at a rate of 10.0% per annum from the date of issue, payable monthly in arrears in cash. Interest is computed on the basis of a 360-day year composed of twelve 30-day months.

Certain qualified individuals and registered investment dealers ("**Finders**") who assisted the Issuer with respect to the Financing received from the Issuer, in compliance with securities laws, a cash Finder's fee equal to 5% of the gross proceeds of the Financing that they helped place, and a warrant Finder's fee equal to a number of warrants representing 5% of the gross proceeds of the Financing that they helped place (the "**Finder Warrant(s)**"). Each Finder Warrant entitles the holder to purchase one Common Share for a period of 24 months following the date of its issuance, at an exercise price of CAD$0.50.

Related Party Transaction Disclosure

Pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the Financing constitutes a "related party transaction" as certain directors and officers of the Issuer (the "**Related Parties**") subscribed for a total of 2,000 Units for aggregate insider proceeds of CAD$2,000,000. Specifically:

- Johnson Joseph, the President, Chief Executive Officer and a director of the Issuer, participated in the First Tranche Closing for 1,000 Units for aggregate consideration of CAD$1,000,000; and

- Liang Qiu, the Chief Executive Officer of the Issuer's Chinese operations and a director of the Issuer, participated in the First Tranche Closing for 1,000 Units for aggregate consideration of CAD$1,000,000.

Immediately following the completion of First Tranche Closing, Mr. Jospeh had ownership of, and control and direction over, an aggregate of (i) 3,144,654 Common Shares; (ii) 868,500 Options; (iii) 4,000,000 Warrants; and (iv) CAD$1,000,000 principal amount of Convertible Debentures. Mr. Joseph held approximately 2.76% of the issued and outstanding Common Shares on a non-diluted basis and approximately 9.78% of the issued and outstanding Common Shares on a partially diluted basis.

Immediately following the completion of First Tranche Closing, Mr. Qiu had ownership of, and control and direction over, an aggregate of (i) 4,093,337 Common Shares; (ii) 754,100 Options; (iii) 4,000,000 Warrants; and (iv) CAD$1,000,000 principal amount of Convertible Debentures. Mr. Qiu held approximately 3.59% of the issued and outstanding Common Shares on a non-diluted basis and approximately 10.47% of the issued and outstanding Common Shares on a partially diluted basis.

The related party transaction requires the Issuer, in the absence of exemptions, to obtain a formal valuation and minority shareholder approval pursuant to MI 61-101. In reviewing the applicable valuation requirements under MI 61-101, the Issuer has determined that the exemption set out in subsection 5.5(b) of MI 61-101 is applicable since no securities of the Issuer are listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States. The Issuer has further determined that it is eligible under subsection 5.7(1)(a) of MI 61-101 for the exemption from the minority shareholder approval requirement since neither the fair market value of the Units issued to the Related Parties, nor the fair market value of the consideration paid for the Units by the Related Parties, exceeded 25% of the Issuer's market capitalization at the time the Financing became legally binding.

There were no disagreements between directors, materially contrary views expressed by any directors or abstentions from voting by any directors. No special process was adopted by the

Issuer to approve the First Tranche Closing. The subscription agreements pursuant to which all investors, including the Related Parties, purchased the Units contained standard representations, warranties and covenants.

The Issuer did not file a material change report 21 days prior to the First Tranche Closing as participation of the Related Parties had not been established at that time, and for sound business reasons the Issuer determined to close the first tranche of the Financing earlier than such date would otherwise permit.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For more information, contact Christina Boyd, Director, Investor Relations at 416-428-9954 or investors@tenetfintech.com.

9. Date of Report

August 10, 2023