

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Entheos Capital Corp. (the “Company”)
Suite 2080-777 Hornby Street
Vancouver, British Columbia
V6Z 1S4

Item 2 Date of Material Change

May 22, 2020

Item 3 News Release

A news release was disseminated on May 22, 2020 through the facilities of Cision.

Item 4 Summary of Material Change

The Company has completed its previously announced non-brokered private placement raising an aggregate of \$750,000 through the sale of 5,000,000 units at a price of \$0.15 per unit.

Item 5 Full Description of Material Change

The Company has completed its previously announced non-brokered private placement raising an aggregate of \$750,000 through the sale of 5,000,000 units (each a “Unit”) at a price of \$0.15 per Unit.

Each Unit comprised one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at a price of \$0.30 per share until May 22, 2021. All securities issuable in the Placement are subject to a four month hold period expiring on September 23, 2020 in accordance with applicable securities laws and the rules and policies of the TSX Venture Exchange. No finder’s fees were paid.

Four insiders participated in the Placement subscribing for an aggregate of 895,000 Units on the same basis as other subscribers, as follows:

- (a) Mr. Brayden Sutton purchased, indirectly through Sutton Ventures Ltd., 320,000 Units for an aggregate cost of \$48,000;
- (b) Mr. Josh Taylor purchased directly 25,000 Units for an aggregate cost of \$3,750;
- (c) Mr. Corey Larricq purchased directly 50,000 Units for an aggregate cost of \$7,500; and
- (d) Mr. Karim Mohamedani purchased directly 500,000 Units for an aggregate cost of \$75,000.

(collectively, the “Insider Participation”).

As Mssrs. Sutton, Taylor and Larricq are directors of the Company, and Mr. Mohamedani is a holder of more than 10% of the Company's issued and outstanding securities (prior to the completion of the Placement), they are "related parties" to the Company within the meaning of Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("MI 61-101"). As such, the Insider Participation, constitutes a "related party transaction" within the meaning of MI 61-101.

Prior to the Insider Participation, Mssrs. Taylor and Larricq each held 66,666 common shares in the Company as well as warrants to acquire a further 33,333 common shares. The respective holdings of Mssrs. Taylor and Larricq constitute less than 1% of the Company's issued and outstanding shares. Mr. Sutton's holdings prior to and following the Placement are as outlined below.

Prior to the Insider Participation, Mr. Mohamedani held 911,500 common shares of the Company representing 11.68% of the issued and outstanding shares and warrants to acquire a further 300,000 common shares, such that on a partially diluted basis, Mr. Mohamedani would hold 14.9% of the then issued and outstanding shares. Mr. Mohamedani now holds 1,411,500 common shares representing 11.03% of the issued and outstanding shares and warrants to acquire a further 800,000 common shares, representing, such that on a partially diluted basis, Mr. Mohamedani would hold 14.69% of the then issued and outstanding shares.

Other than the subscription agreements between Mssrs. Sutton, Taylor, Larricq and Mohamedani and the Company relating to the private placement, the Company has not entered into any agreement with an interested party or a joint actor with an interested party in connection with the Placement.

The board of directors approved the Placement. There are no prior valuations in respect of the Company or the Placement and neither the board of the Company nor its officers are aware of the existence of any such valuation.

The Company is relying on exemptions from the formal valuation and minority approval requirements under MI 61-101 in relation to the Insider Participation. The Company relied on Section 5.5(c) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(b) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101 as the Placement was (a) a distribution of securities of the Company for cash consideration and there are no undisclosed material events relating to the Company or its securities and (b) the Company's securities are not listed on any market other than the TSX Venture Exchange and the fair market value of the securities distributed to the related parties did not exceed \$2,500,000.

The material change report in connection with the Placement was not filed 21 days in advance of the closing of the Placement for the purposes of Section 5.2(2) of MI 61-101 on the basis that the subscriptions under the Placement were not available to the Company until shortly before the closing.

Of the Units acquired by existing insiders, 320,000 Units, representing 2.5% of the issued and outstanding shares, were acquired by Sutton Ventures Ltd., a private

entity owned and controlled by Brayden Sutton, the Company's CEO and a director, with his spouse. Prior to the Placement, Mr. Sutton held, indirectly through Sutton Ventures Ltd., held 1,013,147 common shares, representing 12.98% of the then issued and outstanding shares. Mr. Sutton now holds or exercises control or direction of a total of 1,328,147 common shares representing 10.37% of the current issued and outstanding shares of the Company, and on a partially diluted basis, together with the warrants held by him, as acquired in the Placement, would hold 14.90% of the then issued and outstanding shares.

Mr. Sutton acquired the Units for cash on the same basis as other subscribers and will evaluate his investment in the Company and may increase or decrease his investment by future acquisitions or dispositions of securities of the Company at his discretion, as circumstances warrant. As of the date hereof, Mr. Sutton has no immediate future intention to acquire additional securities of the Company or dispose of securities of the Company that he beneficially owns. A copy of the Early Warning Report for Mr. Sutton will be available on SEDAR.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

Brayden Sutton is knowledgeable about the material change and the Report and may be contacted (778) 656-0377.

Item 9 Date of Report

April 21, 2020