

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**

February 7, 2021

Item 3 **News Release**

A news release was disseminated on February 11, 2021 through the facilities of Cision.

Item 4 **Summary of Material Change**

The Company has entered into a binding letter agreement dated February 7, 2021 (the “Letter Agreement”) with the BC Bud Corporation (“BCBC”) whereby the Company will acquire all of the issued and outstanding securities of BCBC by way of share exchange (the “Transaction”).

Item 5 **Full Description of Material Change**

The Company has entered into the Letter Agreement to complete the Transaction with BCBC.

Upon the successful completion the Transaction the Company intends to delist its common shares from the TSX Venture Exchange (“TSXV”) and list its common shares on the Canadian Securities Exchange (“CSE”). The Transaction constitutes a ‘reverse takeover’ of the Company.

Related Party Transaction

As two directors of the Company, being CEO Brayden Sutton and Director Josh Taylor are each the holders of 40% of the issued and outstanding shares of BCBC, the Transaction constitutes a ‘related party transaction’ as defined in *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). As a result, the completion of the Transaction will be subject to the valuation and majority of the minority shareholder approval requirements of MI 61-101.

Brayden Sutton is a Director, President and CEO of the Company and currently holds, directly or indirectly 1,713,333 ENTH Shares, representing approximately 12.55% of the issued and outstanding ENTH Shares. Josh Taylor is a Director of the Company and currently holds, directly or indirectly, 127,309 ENTH Shares, representing less than 1% of the issued and outstanding ENTH Shares.

Following completion of the Transaction, but prior to completion of any concurrent financing, Mr. Sutton will hold 12,213,333 ENTH Shares representing approximately 32.86% of the issued and outstanding ENTH Shares, prior to the exercise of any options or warrants held by him, and Josh Taylor will hold 10,627,309 ENTH Shares, representing approximately 28.56% of the issued and outstanding ENTH Shares, prior to the exercise of any warrants held by him.

The Transaction will be reviewed and considered by the Company's remaining independent director. Malahat Valuation Group has prepared an initial valuation report dated December 21, 2020 in respect of BCBC which concludes that the fair market value of BCBC is in the range of \$7.9-\$8.7 million.

Transaction Summary

Pursuant to the Transaction, the Company will issue common shares in its capital ("ENTH Shares") to the holders of common shares in the capital of BCBC ("BCBC Shares") on the basis of approximately 2.1 ENTH Shares for each BCBC Share. It is anticipated that approximately 26,250,000 ENTH Shares will be issued pursuant to the Transaction based on the current capital structure of BCBC. The Company currently has 13,651,815 ENTH Shares issued and outstanding.

No advances to be made by the Company to BCBC are contemplated by the letter agreement and no finder's fees are payable in connection with the Transaction.

The Transaction is subject to a number of terms and conditions, including, but not limited to, the parties entering into a definitive agreement with respect to the Transaction on or before March 15, 2021 (such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature), the completion of a private placement by ENTH to raise gross proceeds of at least \$1,000,000 as further described below, the approval of a majority of the minority shareholders in the Company, and the approval of the CSE and other applicable regulatory authorities.

Management and Board of Directors of Resulting Issuer

Upon completion of the Transaction, Corey Larricq will resign as a Director of the Company and Samantha Shorter will resign as Chief Financial Officer of the Company. Brayden Sutton will remain as CEO and a Director and Josh Taylor will remain as a Director and be appointed as President. BCBC will appoint two new Directors of the Company to be determined and a new Chief Financial Officer and Corporate Secretary.

Name Change

Upon completion of the Transaction, the Company intends to change its name to "The BC Bud Co" and the parties expect that the CSE will assign a new trading symbol for the Resulting Issuer.

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**

February 16, 2021