

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**

April 26, 2021

Item 3 **News Release**

A news release was disseminated on April 26, 2021 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 \$1,000,000 through the sale of 4,000,000 subscription receipts at a price of \$0.25 per unit (the “**Placement**”).

Item 5 **Full Description of Material Change**

The Company has completed its previously announced non-brokered private placement raising an aggregate of \$1,000,000 through the sale of 4,000,000 subscription receipts (each a “**Subscription Receipt**”) at a price of \$0.25 per Subscription Receipt.

The Subscription Receipts will automatically convert into one unit (each a “**Unit**”) of the Company upon the closing of the Company’s proposed reverse takeover transaction with the BC Bud Corporation (the “**Transaction**”). The proceeds of the Placement are currently being held in escrow with the Company pending the completion of the Transaction and the delisting of the Company’s shares from the TSX Venture Exchange and listing on the Canadian Securities Exchange, on or before September 30, 2021, except as may be extended in accordance with the terms of the Subscription Receipts.

Each Unit will consist of one common share and one transferable share purchase warrant. Each whole warrant will entitle the holder to acquire an additional common share at a price of \$0.50 per share for a period of two years following issuance. Each Warrant will also be subject to accelerated expiry provisions whereby, if the closing price of the Company’s common shares exceeds \$0.75 per share for a period of ten consecutive trading days, at the Company’s election, provided that applicable resale restrictions have lapsed, the 24 month period within which the Warrants are exercisable will be reduced and the holders of the Warrants will be entitled to exercise their Warrants for a period of 30 days commencing on the day the Company provides notice of same. All securities issuable in the Placement are subject to a four month hold period expiring on

August 27, 2021 in accordance with applicable securities laws and the rules and policies of the TSX Venture Exchange. No finder's fees were paid.

Three insiders participated in the Placement subscribing for an aggregate of 642,000 Subscription Receipts on the same basis as other subscribers, as follows:

- (a) Mr. Brayden Sutton purchased, indirectly through Sutton Ventures Ltd., 200,000 Subscription Receipts for an aggregate cost of \$50,000;
- (b) Mr. Josh Taylor purchased directly 120,000 Units for an aggregate cost of \$30,000; and
- (c) Mr. Karim Mohamedani purchased directly 322,000 Units for an aggregate cost of \$80,500.

(collectively, the "Insider Participation").

As Messrs. Sutton and Taylor 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, Mr. Taylor held 116,666 common shares in the Company as well as warrants to acquire a further 58,333 common shares, representing less than 1% of the issued and outstanding shares. Mr. Taylor continues to hold 116,666 common shares, representing less than 1% of the issued and outstanding shares, warrants to acquire a further 58,333 common shares and subscription receipts to acquire a further 200,000 units, such that on a partially diluted basis, Mr. Taylor would hold 2.33% of the then issued and outstanding shares.

Prior to the Insider Participation, Mr. Sutton held 1,055,000 common shares of the Company representing 7.73% of the issued and outstanding shares and warrants to acquire a further 160,000 common shares, such that on a partially diluted basis, Mr. Sutton would hold 8.80% of the then issued and outstanding shares. Mr. Sutton continues to hold 1,055,000 common shares representing 7.73% of the issued and outstanding shares, warrants to acquire a further 160,000 common shares and subscription receipts to acquire a further 200,000 units, , such that on a partially diluted basis, Mr. Sutton would hold 8.97% of the then issued and outstanding shares.

Prior to the Insider Participation, Mr. Mohamedani held 1,777,550 common shares of the Company representing 13.02% of the issued and outstanding shares and warrants to acquire a further 250,000 common shares, such that on a partially diluted basis, Mr. Mohamedani would hold 14.58% of the then issued and outstanding shares. Mr. Mohamedani continues to hold 1,777,550 common shares representing 13.02% of the issued and outstanding shares, warrants to acquire a further 250,000 common shares and subscription receipts to acquire a further 320,000 units, such that on a partially diluted basis, Mr. Mohamedani would hold 14.66% of the then issued and outstanding shares.

Other than the subscription agreements between Mssrs. Sutton, Taylor 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.

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

May 4, 2021