

FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Relay Medical Corp. (the “**Company**”)
401 Bay Street, 16th Floor
Toronto, Ontario M5H 2Y4

2. **Date of Material Changes**

August 9, 2019

3. **News Release**

Press releases disclosing the material changes were released on August 9, 2019, through the facilities of Newsfile Corp.

4. **Summary of Material Changes**

The Company announces the closing of a private placement financing (the “**Offering**”) for gross proceeds of \$542,000 through the issuance of 2,710,000 units (each, a “**Unit**”) at a price of \$0.20 per Unit. Each Unit is comprised of: (1) one common share in the capital of the Company (each, a “**Common Share**”) and (ii) one Common Share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of \$0.30 on or before February 9, 2021.

5. **Full Description of Material Change**

A full description of the material change is described in the Company’s press release dated August 9, 2019, which is attached as Schedule “A” hereto.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

(a) a description of the transaction and its material terms:

Mr. Sudhir Thomas, a director of the Company, (the “**Related Party**”), subscribed for an aggregate of 1,250,000 Units issued pursuant to the Offering.

(b) the purpose and business reasons for the transaction:

The Company plans to use the net proceeds of the Offering for working capital and general corporate purposes.

(c) the anticipated effect of the transaction on the issuer’s business and affairs:

The Company plans to use the net proceeds of the Offering for working capital and general corporate purposes.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

The Related Party participated in the second tranche of the Offering, subscribing for 1,250,000 Units at \$0.20 per Unit for total proceeds of \$250,000.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

Prior to the completion of the Offering, Mr. Thomas held, directly or indirectly 869,565 Common Shares and 869,564 common share purchase warrants. Upon closing of the second tranche of the Offering, Mr. Thomas holds an aggregate of 2,119,565 Common Shares, representing approximately 1.69% of the issued and outstanding Common Shares on an undiluted basis, and 2,119,564 Warrants. In the event that Mr. Thomas exercises his Warrants, he would hold an aggregate of 4,238,829 Common Shares, or approximately 3.34% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

A resolution of the board of directors was passed on May 15, 2019 approving the Offering, with the Related Parties, as applicable, abstaining from voting in respect of their respective participation in the offering. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the subscription agreements to purchase the Units pursuant to the Offering, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The participation in the Offering by the Related Party is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to the Related Party nor the consideration being paid by the Related Party exceeded 25% of the Company's market capitalization.

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

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

For further information, contact W. Clark Kent, President of the Company at (647) 872-9982 ext 2.

9. **Date of Report.**

This report is dated at Toronto, this 13th day of August, 2019.

SCHEDULE "A"



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Relay Medical Announces Closing of Second Tranche of Private Placement

August 9, 2019 – Relay Medical Corp. ("**Relay**" or the "**Company**") (CSE: RELA, OTC: RYMDF, Frankfurt: E1Y2), a developer of MedTech innovation, is pleased to announce that the Company has completed the second tranche of the private placement financing (the "**Offering**") for gross proceeds of \$542,000 through the issuance of 2,710,000 Units (each, a "**Unit**") at a price of \$0.20 per unit. The aggregate gross proceeds raised pursuant to the first and second tranches of the Offering was \$2,074,500 through the issuance of 10,372,500 Units.

Each Unit is comprised of: (i) one common share in the capital of the Company (each a "**Common Share**"); (ii) one Common Share purchase warrant (each, a "**Warrant**"). Each whole Warrant entitles the holder to purchase one additional Common Share at an exercise price of \$0.30 on or before February 9, 2021.

Gross proceeds raised from the Offering will be used for working capital and general corporate purposes. The securities issued upon closing of the Offering are subject to a hold period until December 10, 2019, pursuant to applicable securities laws.

Certain eligible persons (the "**Finders**") were paid a cash commission equal to 8% of the proceeds raised from subscribers introduced to the Company by such Finder and also issued an aggregate of 68,800 finder warrants (the "**Finder Warrants**") to Finders, each Finder Warrant entitling the holder to acquire one Unit at a price of \$0.20 for a period of eighteen (18) months from the date of issuance.

Certain insiders of the Company participated in the Second Tranche of the Offering, purchasing an aggregate of 1,250,000 Units. The participation of such insiders constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Offering in an expeditious manner.

About Relay Medical Corp.

Relay Medical is an evolving "Integrated MedTech Accelerator" headquartered in Toronto, Canada, acquiring early-stage technologies and inventions, advancing and preparing them for pre-commercial acquisitions in the HealthTech marketplace. By integrating the funding, development and exit process

into one organization led and managed by one expert team, Relay Medical is building the capacity to accelerate and transact technologies with high efficiency and grow into a leading engine for MedTech innovation in the global HealthTech marketplace.

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Forward-looking Information Cautionary Statement

Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the commercialization plans for UXD described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements.

Additional information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, which filings are available at www.sedar.com