

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

1. **Name and Address of Company**

Relay Medical Corp. (the “**Company**”)  
Suite 1600-401 Bay Street  
Toronto, Ontario M5H 2Y4

2. **Date of Material Change**

May 29, 2020

3. **News Release**

A press release disclosing the material change were released on May 29, 2020, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

On May 29, 2020 the Company issued 3,522,777 units (the “**Units**”) by way of a non-brokered private placement, at a price of \$0.18 per Unit, for gross proceeds of \$639,500 (the “**Offering**”).

In addition to the Offering, the Company issued 2,276,944 common shares in the capital of the Company (each, a “**Common Share**”) at a price of \$0.18 per Common Share (the “**Debt Settlement**”).

5. **Full Description of Material Change**

In connection the Offering, the Company issued 3,522,777 Units at a price of \$0.18 per Unit. Each Unit is comprised of Common Share and one Common Share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of \$0.20 on or before May 29, 2022.

Gross proceeds raised from the Offering will be used for working capital and general corporate purposes. The securities issued pursuant to the Offering are subject to a holder period until September 30, 2020, 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 41,200 finder warrants (the “**Finder Warrants**”) to the Finders. Each Finder Warrant entitling the holder to acquire one Common Share at a price of \$0.20 for a period of twenty-four (24) months from the date of issuance.

The Company entered into debt conversion agreements with arm’s length and non-arm’s length creditors, pursuant to which the Company has settled an aggregate of \$409,850 of indebtedness through the issuance of 2,276,944 Common Shares at a price of \$0.18 per Common Share. The Common Shares issued pursuant to the debt settlement are subject to a four-month hold period and completion of the transaction remains subject to final acceptance of the Canadian Securities Exchange.

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:**

In connection with the Offering, 200,000 Units and 526,665 Common Shares were issued to insiders (collectively, the “**Insiders**”) of the Company.

(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:**

In connection with the Offering and the Debt settlement, the following securities were issued to the Insiders of the Company.

<b>Name</b>	<b>Position</b>	<b>Number of Units</b>	<b>Number of Common Shares</b>	<b>Aggregate Price</b>
Sudhir Thomas	Director	200,000	69,444	\$48,499.92
Medhanie Tekeste	Director	-	69,444	\$12,499.92
Yoav Raiter	Officer	-	60,000	\$10,800
Igal Roytblat	Officer	-	135,000	\$24,300
Tom Glawdel	Officer	-	83,333	\$14,999.94
Michael Minder	Director	-	69,444	\$12,499.92
Jessica Currie Kuhn	Officer	-	40,000	\$7,200
	<b>TOTAL</b>	<b>200,000</b>	<b>526,665</b>	<b>\$130,799.70</b>

(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 and the Debt Settlement, Mr. Thomas held, directly or indirectly 1,008,454 Common Shares, 869,564 Warrants, and 600,000 stock options (“**Stock Options**”). Upon closing of the Offering, Mr. Thomas holds an aggregate of 1,277,898 Common Shares, representing approximately 0.94% of the issued and outstanding Common Shares on an undiluted basis, 1,069,564 Warrants and 600,000 Stock Options. In the event that Mr. Thomas exercises his Warrants and Stock Options, he would hold an aggregate of 2,947,462 Common Shares, or approximately 2.15% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Prior to the completion of the Debt Settlement, Mr. Tekeste held, directly or indirectly 832,323 Common Shares and 600,000 Stock Options. Upon closing of the Offering, Mr. Thomas holds an aggregate of 901,767 Common Shares, representing approximately 0.66% of the issued and outstanding Common Shares on an undiluted basis and 600,000 Stock Options. In the event that Mr. Tekeste exercises his Stock Options, he would hold an aggregate of 1,501,767 Common Shares, or approximately 1.10% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Prior to the completion of the Debt Settlement, Mr. Raiter held, directly or indirectly 250,000 Common Shares and 800,000 Stock Options. Upon closing of the Offering, Mr. Raiter holds an aggregate of 310,000 Common Shares, representing approximately 0.22% of the issued and outstanding Common Shares on an undiluted basis and 800,000 Stock Options. In the event that Mr. Raiter exercises his Stock Options, he would hold an aggregate of 1,110,000 Common Shares, or approximately 0.82% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Prior to the completion of the Debt Settlement, Mr. Roytblat held, directly or indirectly 343,263 Common Shares and 70,000 Stock Options. Upon closing of the Offering, Mr. Roytblat holds an aggregate of 478,263 Common Shares, representing approximately 0.35% of the issued and outstanding Common Shares on an undiluted basis and 70,000 Stock Options. In the event that Mr. Roytblat exercises his Stock Options, he would hold an aggregate of 548,263 Common Shares, or approximately 0.40% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Prior to the completion of the Debt Settlement, Mr. Glawdel held, directly or indirectly 194,000 Common Shares and 500,000 Stock Options. Upon closing of the Offering, Mr. Glawdel holds an aggregate of 277,333 Common Shares, representing approximately 0.20% of the issued and outstanding Common Shares on an undiluted basis and 500,000 Stock Options. In the event that Mr. Glawdel exercises his Stock Options, he would hold an aggregate of 777,333 Common Shares, or approximately 0.57% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Prior to the completion of the Debt Settlement, Mr. Minder held, directly or indirectly 735,600 Common Shares, 300,000 Warrants and 1,162,000 Stock Options. Upon closing of the Offering, Mr. Minder holds an aggregate of 1,162,000 Common Shares, representing approximately 0.54% of the issued and outstanding Common Shares on an undiluted basis, 300,000 Warrants and 1,162,000 Stock Options. In the event that Mr. Minder exercises his Warrants and Stock Options, he would hold an aggregate of 2,197,600 Common Shares, or approximately 1.60% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Prior to the completion of the Debt Settlement, Ms. Currie Kuhn held, directly or indirectly 88,068 Common Shares, 34,000 Warrants and 362,500 Stock Options. Upon closing of the Offering, Ms. Currie Kuhn holds an aggregate of 128,068 Common Shares, representing approximately 0.09% of the issued and outstanding Common Shares on an undiluted basis, 34,000 Warrants and 362,500 Stock Options. In the event that Ms. Currie Kuhn exercises her Warrants and Stock Options, she would hold an aggregate of 524,568 Common Shares, or

approximately 0.38% 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 29, 2020, approving the Offering and the Debt Settlement. 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 and the debt conversion agreements entered into purchase to the Debt Settlement, the Company did not enter into any agreement with an interest party or a joint actor with an interested party in connection with the Offering or the Debt Settlement. To the Company's knowledge, no related party to the Company entered into any agreement with an interest party or a joint actor with an interested party, in connection with the Offering or the Debt Settlement.

- (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 and the Debt Settlement by the Insiders is exempt from the formal valuation and minority shareholder approval requirements of Multilateral

Instrument 61-101 – Protection of Minority Securityholders in Special Transactions (“**MI 61-101**”) as neither the fair market value of securities being issued to the Insiders nor the consideration paid by the Insiders 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 9<sup>th</sup> day of June, 2020.

**Cautionary Statement Regarding Forward-Looking Information**

Except for statements of historic fact, this material change report 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 material change report 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](http://www.sedar.com)