

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**

September 17, 2020

3. **News Release**

A press release disclosing the material change were released on September 17, 2020, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

On September 17 2020 the Company issued 10,185,089 units (the “**Units**”) by way of a non-brokered private placement, at a price of \$0.18 per Unit, for gross proceeds of \$1,833.316.02 (the “**Offering**”).

In addition to the Offering, the Company issued 441,300 common shares in the capital of the Company (each, a “**Common Share**”) at a price of \$0.23 per Common Share (the “**Debt Settlement**”).

5. **Full Description of Material Change**

In connection the Offering, the Company issued 10,185,089 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 September 17, 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 January 18, 2021, 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 129,644 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 \$101,500 of indebtedness through the issuance of 441,300 Common Shares at a price of \$0.23 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, 126,090 Common Shares were issued to an insiders (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 Debt settlement, the following securities were issued to the Insiders of the Company.

Name	Position	Number of Common Shares	Aggregate Price
Medhanie Tekeste	Director	43,480	\$10,000.40
Michael Minder	Director	82,610	\$19,000.30
	TOTAL	126,090	\$29,000.70

(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 Debt Settlement, Mr. Tekeste held, directly or indirectly 901,767 Common Shares, 600,000 Warrants and 600,000 Stock Options. Upon closing of the Offering, Mr. Thomas holds an aggregate of 945,247 Common Shares, representing approximately 0.64% of the issued and outstanding Common Shares on an undiluted basis, 600,000 Warrants and 600,000 Stock Options. In the event that Mr. Tekeste exercises his Warrants and Stock Options, he would hold an aggregate of 2,145,247 Common Shares, or approximately 1.45% 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 985,600 Common Shares, 300,000 Warrants and 1,412,000 Stock

Options. Upon closing of the Offering, Mr. Minder holds an aggregate of 1,068,210 Common Shares, representing approximately 0.72% of the issued and outstanding Common Shares on an undiluted basis, 300,000 Warrants and 1,412,000 Stock Options. In the event that Mr. Minder exercises his Warrants and Stock Options, he would hold an aggregate of 2,780,210 Common Shares, or approximately 1.87% 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 September 17, 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 28th day of September, 2020.