

**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**

January 15, 2021

3. **News Release**

A press release disclosing the material change were released on January 15, 2021, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

The Company closed the second tranche of a non-brokered private placement financing (the “**Offering**”) through the issuance of 13,625,000 units (each, a “**Unit**”) at a price of \$0.20 per Unit for gross proceeds of \$2,725,000.

5. **Full Description of Material Change**

The Company closed the second tranche of a non-brokered private placement financing through the issuance of 13,625,000 Units at a price of \$0.20 per Unit for gross proceeds of \$2,725,000. The aggregate gross proceeds raised pursuant to the first and second tranches of the Offering is \$7,800,000 through the issuance of 39,000,000 Units.

Each Unit is comprised of: (i) 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 July 15, 2022.

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 May 16, 2021, pursuant to applicable securities laws.

Certain eligible persons (the “**Finders**”) were paid a cash commission in the amount of \$38,960 and issued an aggregate of 194,800 non-transferrable broker warrants (the “**Broker Warrants**”). Each Broker Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.30 until July 15, 2022.

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 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 Offering, the following securities were issued to the Insiders of the Company.

Name	Position	Number of Units	Aggregate Price
Igal Roytblat	Officer	100,000	\$20,000
Yoav Raiter	Officer	100,000	\$20,000
	TOTAL	200,000	\$40,000.00

(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:

Following completion of the Offering, Mr. Roytblat owns an aggregate of 772,707 Common Shares of the Company, representing approximately 0.40% of the Company's issued and outstanding Common Shares on an undiluted basis. If Mr. Roytblat were to exercise all of his convertible securities, he would own an aggregate of 1,672,707 Common Shares, representing approximately 0.86% of the Company's then outstanding Common Shares on a partially diluted basis.

Following completion of the Offering, Mr. Raiter owns an aggregate of 410,000 Common Shares of the Company, representing approximately 0.21% of the Company's issued and outstanding Common Shares on an undiluted basis. If Mr. Raiter were to exercise all of his convertible securities, he would own an aggregate of 1,810,000 Common Shares, representing approximately 0.93% of the Company's then outstanding Common Shares 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 January 8, 2021, approving 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 interest 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 interest 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 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 18th day of January, 2021.