

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

**1. Name and Address of Company**

Bucephalus Capital Corp.  
40 King Street West, Suite 1700  
Toronto, Ontario, M5H 3Y2

**2. Date of Material Change**

March 19, 2021

**3. News Release**

A press release disclosing the material change was released on March 19, 2021, through the facilities of Newsfile Corp.

**4. Summary of Material Change**

On March 19, 2021, the Company announced that it had closed a non-brokered private placement through the issuance of 25,000,000 units (a “Unit”) at a price of \$0.05 per Unit for gross proceeds of \$1,250,000 (the “Private Placement”).

**5. Full Description of Material Change**

Pursuant to the Private Placement, the Company issued 25,000,000 Units at a price of \$0.05 per Unit for gross proceeds of \$1,250,000. Each Unit consisted of one subordinated voting common share of the Company (a “Common Share”) and one Common Share purchase warrant. Each full warrant (a “Warrant”) entitles the holder to acquire one additional Common Share (a “Warrant Share”) for a period of thirty-six months from the closing of the Private Placement at an exercise price of \$0.25 per Warrant Share.

In relation to the Private Placement, the Company paid certain eligible persons finder’s fees of \$78,750 and issued 1,750,000 finders warrants entitling the holder to acquire a Unit exercisable at a price of \$0.05 for a period of thirty-six months from the closing of the Private Placement.

The proceeds from the Private Placement will be used by the Company for working capital and for other general and administrative costs. All securities issued under the Private Placement are subject to a four month hold period in accordance with applicable securities laws.

A portion of the Private Placement constituted a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), as certain officers and directors of the Company subscribed for an aggregate of 3,500,000 Units under the Private Placement.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

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

In connection with the Private Placement, an aggregate of 3,500,000 Units were acquired by insiders of the Company.

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

The proceeds from the Private Placement will be used by the Company for working capital and for other general and administrative costs.

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

The completion of the Private Placement will provide the Company with funds for working capital and for other general and administrative costs.

**(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:**

John McMahon, Chief Executive Officer and Director of the Company subscribed for 2,000,000 Units of the Company.

Tim Diamond, a Director of the Company subscribed for 500,000 Units of the Company and 2044361 Ontario Inc., a company controlled by Mr. Diamond, subscribed for 1,000,000 Units of the Company.

**(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 Private Placement, Mr. McMahon did not own any securities of the Company. Following completion of the Private Placement, Mr. McMahon owns and controls 2,000,000 Common Shares and 2,000,000 Warrants of the Company, representing approximately 4.07% of the Company's issued and outstanding Common Shares on an undiluted basis. If Mr. McMahon were to exercise all of his convertible securities, he would own an aggregate of 4,000,000 Common Shares, representing approximately 7.82% of the Company's then outstanding Common Shares on a partially diluted basis.

Prior to the completion of the Private Placement, Mr. Diamond did not own, directly or indirectly, securities of the Company. Following completion of the Private Placement, Mr. Diamond owns, directly and indirectly, an aggregate of 1,500,000 Common Shares of the Company and 1,500,000 Warrants of the Company, representing approximately 3.05% of the Company's issued and outstanding Common Shares on an undiluted basis. If Mr. Diamond were to exercise all of his convertible securities, he would own, directly and indirectly, an aggregate of 3,000,000 Common Shares, representing approximately 5.92% 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 March 12, 2021 approving the Private Placement. No special committee was established in connection with the transactions described herein, 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 for the Units, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Private Placement. 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 Private Placement.

**(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 Private Placement constituted a "related party transaction" as defined in MI 61-101 as insiders of the Company acquired an aggregate of 3,500,000 Units. 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 Private Placement 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 Private Placement, which the Company deems reasonable in the circumstances in order to complete the Private placement in an expeditious manner.

**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 Roland Nimmo, Chief Financial Officer of the Company at (416) 786-9031.

**9. Date of Report**

This report is dated at Toronto, this 29<sup>th</sup> day of March, 2021.

### **Cautionary Statement Regarding Forward-Looking Information**

*Certain information set forth in this material change report may contain forward-looking information that involves substantial known and unknown risks and uncertainties. This forward-looking information is subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including, but not limited to, the impact of general economic conditions, industry conditions, and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information. The parties undertake no obligation to update forward-looking information except as otherwise may be required by applicable securities law.*