

**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

May 31, 2021

3. News Release

A press release disclosing the material change was released on June 1, 2021, through the facilities of Newsfile Corp.

4. Summary of Material Change

On May 31, 2021, the Company announced that it had closed a non-brokered private placement through the issuance of 10,000,000 units (“Units”) at a price of \$0.30 per Unit for gross proceeds of \$3,000,000.00 (the “Offering”).

5. Full Description of Material Change

Pursuant to the Offering, the Company issued 10,000,000 Units at a price of \$0.30 per Unit for gross proceeds of \$3,000,000.00. Each Unit is comprised of one subordinated voting common share of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”). Each Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.50 per Common Share for a period of 36 months from the closing of the Offering. In the event that the closing price of the Common Shares of the Company on the Canadian Securities Exchange is greater than \$1.00 for ten consecutive trading days, the Company may give notice to the holders of the Warrants that the expiry time of the Warrants has been accelerated and the Warrant will expire on the thirtieth (30th) business day following the date of such notice at the price of \$0.50 for each Warrant exercised.

In connection with the Offering, the Company paid certain eligible persons (the “Finders”) a cash commission of \$210,000 and issued 700,000 broker warrants (“Broker Warrants”). Each Broker Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.50 for a period of thirty-six months from closing of the Offering and subject to the acceleration provision noted above.

All securities issued under the Offering are subject to a four month hold period in accordance with applicable securities laws.

A portion of the Offering 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 an officer of the Company subscribed for an aggregate of 200,000 Units under the Offering.

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 Offering, an aggregate of 200,000 Units were acquired by an insider of the Company.

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

The proceeds from the Offering 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 Offering 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:**
- Cameron Day, an officer of the Company subscribed for an aggregate of 200,000 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:**
- Pursuant to the Offering, Cameron Day acquired an aggregate of 200,000 Units of the Company. Prior to the completion of the Offering, Mr. Day held, 500,000 stock options to purchase Common Shares of the Company, representing approximately 0.67% of the Company's issued and outstanding Common Shares on a partially diluted basis. Upon completion of the Offering, Mr. Day now owns, 500,000 stock options to purchase Common Shares of the Company, 200,000 Common Shares, and 200,000 Warrants, representing 0.27% of the Company's issued and outstanding Common Shares on a non-diluted basis and approximately 1.20% of the Company's then issued and 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 May 27, 2021 approving the Offering. No special committee was established in connection with the Offering, 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 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 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 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 in order to complete the Offering in an expeditious manner. The Offering was approved by all independent directors of the Company.

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 John McMahon, Chief Executive Officer of the Company at (416) 786-9031.

9. Date of Report

This report is dated at Toronto, this 9th day of June, 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.

Neither the Canadian Securities Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this report.