

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

1. Name and Address of Company

Prophecy DeFi Inc. (Formerly, Bucephalus Capital Corp.) (the "Company")
40 King Street West, Suite 1700
Toronto, Ontario, M5H 3Y2

2. Date of Material Change

July 8, 2021

3. News Release

A press release disclosing the material change was released on July 9, 2021, through the facilities of Cision.

4. Summary of Material Change

The Company announced that it has closed the acquisition of 60% of Layer2 Blockchain Inc. ("Layer2") through the issuance of 25,000,000 common shares in the capital of the Company.

5. Full Description of Material Change

The Company completed the acquisition (the "**Transaction**") of 60% of the issued and outstanding common shares of Layer2. As consideration for the Transaction, the Company issued an aggregate of 25,000,000 common shares of the Company (each a "**Common Share**"), to the shareholders of Layer2 on a pro rata basis.

All Common Shares issued in connection with the acquisition of Layer2 are subject to a four-month and one day resale restriction and voluntary lock-ups of up to 21 months, subject to certain accelerated releases in the event the Company's common shares trade above certain prices. Further information on the Transaction can be found in the press release of the Company dated June 8, 2021.

Layer2 is a technology company focused on the rapidly emerging "Ethereum Layer Two" decentralized finance ecosystem. DeFi is currently the fastest growing and most innovative subsector in cryptocurrencies. Until recently, DeFi only existed on the Ethereum blockchain, however, scaling issues on Ethereum has pushed DeFi innovation onto a number of different but scalable "Layer Two" blockchains. This fragmentation has created a significant opportunity to realize outsized returns which the Layer2 team is uniquely poised to take advantage of. Layer2's current operations within the DeFi sector are focused on: liquidity provisioning and market making, cross-chain.

In connection with the Transaction, the Company agreed to issue 500,000 common shares to a certain eligible finder. The shares issued to such finder are subject to a four-month and one day resale restriction and the same lock-ups as noted above.

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 12th day of July, 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.