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FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company:**

Deer Horn Capital Inc.
4672 Kensington Place
Delta, BC V4K 4W5

2. **Date of Material Change:**

August 16, 2017

3. **Press Release:**

A News Release dated and issued on August 16, 2017 at Vancouver, BC, through the Canadian Securities Exchange and SEDAR.

4. **Summary of Material Change:**

Deer Horn announces closing of private placement.

5. **Full Description of Material Change:**

See news release, a copy of which is attached hereto

6. **Reliance on Subsection 7.1(2) of the National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not applicable.

7. **Omitted Information:**

Not applicable.

8. **Executive Officer Knowledgeable of Material Change:**

Tyrone Docherty, President and CEO
Telephone: (604) 789-5653

9. **Date of Report:**

August 16, 2017



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Deer Horn Announces Closing of Private Placement

Vancouver, BC, Canada, August 16, 2017 – Deer Horn Capital Inc. (CSE: DHC) (the “Company” or “Deer Horn”) announces that it has now closed its previously announced private placement and issued a total of 5,250,000 common shares for total gross proceeds of \$105,000. The issuance of these shares was completed under the Partial Revocation Order obtained from the BCSC earlier this year.

All of the Company’s securities, including the shares issued in connection with this financing, remain subject to the cease trade order issued against the Company on January 30, 2017 (the “CTO”) for failing to file certain outstanding continuous disclosure documents in a timely manner. In addition, in accordance with applicable securities legislation, certain of the common shares issued pursuant to this private placement are subject to a hold period of four months and a day from the closing date of the financing.

\$25,000 of this private placement was subscribed for by directors and officers of the Company. The issuance of common shares to a director or officer pursuant to the private placement is considered to be a “*related party transaction*” under **Multilateral Instrument 61-101 (“MI 61-101”)**, but is exempt from the valuation and minority shareholder approval requirements of MI 61-101 as the Company is listed on the CSE and neither the fair market value of securities being issued to related parties nor the consideration being paid by related parties has exceeded 25% of the Company's market capitalization.

The Company is in the process of finalizing its outstanding 2016 year end audited financial statements, the subsequent interim statements and all corresponding continuous disclosure documentation and anticipates that it will be in a position to file these documents on SEDAR within the next month. Once all outstanding continuous disclosure documents have been filed, the Company expects to then make application for a full revocation of the CTO.

About Deer Horn

Deer Horn is exploring and developing the Deer Horn Property, a rich gold and silver project with high tellurium grades. The Deer Horn Property, located in north-central British Columbia, has produced positive economics in a Preliminary Economic Analysis and, to our knowledge, hosts Canada’s only NI 43-101 tellurium resource.

On behalf of the board of directors of
Deer Horn Capital Inc.

Tyrone Docherty
President and CEO

For further information please contact:

Primary Contact

Tyrone Docherty President Deer Horn Capital Inc. 604 789 5653 tyrone.dccap@dccnet.com
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Neither the Canadian Securities Exchange nor its regulations services accepts responsibility for the adequacy or accuracy of this release.

Forward-looking information

All statements included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. In particular, this news release contains forward-looking information regarding the completion and filing of outstanding continuous disclosure documents, the application for a full revocation of the CTO. These forward-looking statements involve numerous assumptions made by the Company based on its experience, perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. These assumptions include, but are not limited to: future costs and expenses being based on historical costs and expenses, adjusted for inflation; and market demand for, and market acceptance of, the offering. In addition, these statements involve substantial known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will prove inaccurate, certain of which are beyond the Company’s control. Readers should not place undue reliance on forward-looking statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after the date hereof or revise them to reflect the occurrence of future unanticipated events.