

FORM 51-102F3

MATERIAL CHANGE REPORT

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

Deer Horn Capital Inc.
PO Box 18086
1215C 56th Street
Delta, BC V4L 2M4

2. **Date of Material Change:**

May 7, 2019

3. **Press Release:**

A News Release dated and issued on May 7, 2019 at Vancouver, BC, through Executive Business Services and SEDAR.

4. **Summary of Material Change:**

World Bank Climate-Smart Mining Facility Supports Sustainable Extraction of Clean Energy Metals

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:**

May 7, 2019



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Metals for Clean Technology
and a Low-Carbon Economy.

NEWS >>>

World Bank Climate-Smart Mining Facility Supports Sustainable Extraction of Clean Energy Metals

Vancouver, BC, Canada, May 7, 2019 – Deer Horn Capital Inc. (CSE: DHC, OTCBB: GODYF) (or “Deer Horn”) reports that, on May 1, the World Bank launched its [Climate-Smart Mining Facility](#), the first-ever fund dedicated to making mining for minerals climate-smart and sustainable. The Facility will support sustainable extraction and processing of minerals and metals used in clean energy technologies such as wind, solar power and batteries for energy storage and electric vehicles. The fund focuses on helping resource-rich, developing countries benefit from increasing demand for minerals and metals while ensuring the mining sector is managed in a way that minimizes the environmental and climate footprint.

“We are excited to see this support for sustainable mining of critical metals, especially from an organization like the World Bank,” said Deer Horn President and CEO Tyrone Docherty. “While their initiative focuses on developing nations, we believe the Climate-Smart sustainability principles would benefit Canada, as well.”

According to the World Bank, Climate-Smart mining brings together investors, government, academia and research, cleantech companies and miners to help meet the demand for minerals as the world transitions rapidly to low-carbon technologies to combat climate change.

“Bringing these stakeholders together is similar to the partnership approach we are taking with critical metals innovators like [Fenix Advanced Materials](#), the University of British Columbia, Teck Metals and [Metal Tech Alley](#),” said Docherty. “We believe the time has come for the industry to look at innovative and more sustainable ways to finance exploration and development and bring critical metals to market.”

Docherty noted that Deer Horn’s approach led to the partnership [announced in April](#) to explore territorial lands in Northern BC, aligning with elements of the company’s long-term vision regarding First Nations engagement and support. “A fundamental tenet of Deer Horn has been to grow through partnership and stewardship, especially with First Nations,” said Docherty.

A key principle of Climate-Smart mining is sustainable mineral extraction. “When you dig deeper into the Climate-Smart initiative, you see how they’re really advocating for more efficient and less impactful mining,” said Docherty. “They talk about innovation for a smaller environmental footprint, including what they call ‘Forest Smart’ mining. Not only does this make sense for sustainability, it can also work well economically.”

Deer Horn has followed a similar philosophy in exploring its Deer Horn property in west-central British Columbia, following a ‘small mine’ approach as outlined in the Preliminary Economic Assessment (“PEA”)* completed in 2018. Starting with a small mine can offer important advantages, both economic and sustainable, while helping a project move towards production more efficiently.

“The typical strategy would be to keep drilling to try and increase the size of our resource,” said Docherty. “While we recognize the benefits of this conventional approach, we believe the long-term trend is towards these smaller, more sustainable operations that can scale up over time. As outlined in our recent PEA*, the small mine approach requires far less capital expenditure and development time, presents fewer permitting challenges and can provide a faster payback.”

More information about Deer Horn's small mine strategy can be found on the company's [Small Mine Approach](#) web page. For detailed information, please consult Deer Horn's recent [Preliminary Economic Assessment](#).*

Docherty also noted that, because of the expected smaller environmental footprint, Deer Horn has enjoyed First Nations support of its exploration and plans for advancing the property. "We continue to work closely with First Nations representatives as we plan the next phases of work at the project."

The Deer Horn property is one of few mineral projects in North America with an NI 43-101 qualifying resource for tellurium, a key component of thin-film, cadmium-telluride solar panels. Approximately 40% of the world's tellurium supply is now consumed by the solar panel industry.

About Deer Horn Capital

Deer Horn Capital is committed to exploring for, and providing, strategic and critical metals vital to a low-carbon economy and for the advancement of technology. The Company's leadership has a track record of project monetization with a board and advisory group that includes industry leaders in finance, mineral property development, geology, mineralogy, solar power, engineering, research and First Nations engagement and economic development.

* The preliminary economic assessment (PEA) is preliminary in nature. The PEA includes Inferred material that is considered too speculative geologically to have the economic considerations applied to it that would enable it to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

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

"Tyrone Docherty"

Tyrone Docherty
President and CEO

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Neither the Canadian Securities Exchange nor its regulations services accept 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. 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. 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 event.