

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

1. Name and Address of Company

Mainstream Minerals Corporation (the “**Company**”)
217 Queen Street West, Suite 401
Toronto, Ontario M5V 0R2

2. Date of Material Change

August 14, 2020

3. News Release

A press release disclosing the material change was released on August 14, 2020, through the facilities of Newswire.

4. Summary of Material Change

The Company announced that it had agreed to settle \$400,000 of indebtedness with certain creditors of the Company (the “**Creditors**”) through the issuance of 8,000,000 common shares (“**Common Shares**”) of the Company to the Creditors at a price of \$0.05 per Common Share (the “**Debt Settlement**”).

5. Full Description of Material Change

Pursuant to the Debt Settlement, the Company agreed to settle \$400,000 of indebtedness through the issuance of 8,000,000 Common Shares of the Company to the Creditors at a price of \$0.05 per Common Share.

All securities issued pursuant to the Debt Settlement will be subject to a four-month statutory hold period in accordance with applicable securities legislation.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

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

In connection with the Debt Settlement, an insider of the Company acquired 400,000 Common Shares of the Company.

As a result of the Debt Settlement, J. Libenson Management Corp., Generic Capital Corporation, Cejay Kim and Bruno Management Services Corporation each hold more than 10% of the issued and outstanding Common Shares of the Company and therefore have become “insiders” of the Company as defined and in accordance with the *Securities Act* (Ontario).

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

The Company wished to settle \$400,000 of indebtedness in order to improve its financial position and reduce its accrued liabilities.

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

The settlement of indebtedness will improve the Company's financial position and reduce its accrued liabilities.

(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:

Jessica Whitton, an officer and director of the Company, acquired 400,000 Common Shares in connection with the Debt Settlement.

J. Libenson Management Corp., a Creditor of the Company, acquired 1,800,000 Common Shares in connection with the Debt Settlement.

Generic Capital Corp., a Creditor of the Company, acquired 1,800,000 Common Shares in connection with the Debt Settlement.

Cejay Kim, a Creditor of the Company, acquired 1,800,000 Common Shares in connection with the Debt Settlement.

Bruno Management Services Corporation, a Creditor of the Company, acquired 1,800,000 Common Shares in connection with the Debt Settlement.

(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 Debt Settlement, Jessica Whitton acquired 400,000 Common Shares of the Company. Prior to the completion of the Debt Settlement, Ms. Whitton did not own any Common Shares of the Company. Upon completion of the Debt Settlement, Ms. Whitton will own 400,000 Common Shares of the Company, representing approximately 3.87% of the issued and outstanding Common Shares on a non-diluted basis.

Pursuant to the Debt Settlement, J. Libenson Management Corp. acquired 1,800,000 Common Shares of the Company. Prior to the completion of the Debt Settlement, J. Libenson Management Corp. did not own any Common Shares of the Company. Upon completion of the Debt Settlement, J. Libenson Management Corp. will own 1,800,000 Common Shares of the Company, representing approximately 17.40% of the Company's issued and outstanding Common Shares on a non-diluted basis.

Pursuant to the Debt Settlement, Generic Capital Corp. acquired 1,800,000 Common Shares of the Company. Prior to the completion of the Debt Settlement, Generic Capital Corp. owned 225,000 Common Shares of the Company. Upon completion of the Debt Settlement, Generic Capital Corp. will own 2,025,000 Common Shares of the Company, representing approximately 19.58% of the Company's issued and outstanding Common Shares on a non-diluted basis.

Pursuant to the Debt Settlement, Cejay Kim acquired 1,800,000 Common Shares of the Company. Prior to the completion of the Debt Settlement, Mr. Kim did not own any Common Shares of the Company. Upon completion of the Debt Settlement, Mr. Kim will own 1,800,000 Common Shares of the Company, representing approximately 17.40% of the Company's issued and outstanding Common Shares on a non-diluted basis.

Pursuant to the Debt Settlement, Bruno Management Services Corporation acquired 1,800,000 Common Shares of the Company. Prior to the completion of the Debt Settlement, Bruno Management Services Corporation did not own any Common Shares of the Company. Upon completion of the Debt Settlement, Bruno Management Services Corporation will own 1,800,000 Common Shares of the Company, representing approximately 17.40% of the Company's issued and outstanding Common Shares on a non-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 August 7, 2020, approving the Debt Settlement. No special committee was established in connection with the Debt Settlement, 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 debt settlement agreements, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Debt Settlement. 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 Debt Settlement.

- (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 Common Shares being issued to insiders in connection with the Debt Settlement 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 Debt Settlement because the Company wanted to improve its financial position as expeditiously as possible.

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 Jessica Whitton, President & Chief Executive Officer of the Company at (416) 361-1331.

9. **Date of Report**

This report is dated at Toronto, this 24th day of August, 2020.

Cautionary Statement Regarding Forward-Looking Information

This news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the information is provided, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. For a description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's Management's Discussion and Analysis. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.