

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Wolfpack Brands Corporation ("**Wolfpack**" or the "**Corporation**")  
700, 595 Burrard Street  
Vancouver, BC V7X 1S8

2. **Date of Material Change**

August 21, 2019

3. **News Release**

A news release was disseminated through GlobeNewswire on August 21, 2019.

4. **Summary of Material Change**

On August 20, 2019, as part of a series of refinancing and balance sheet remedial transactions intended to restructure Wolfpack's outstanding indebtedness, improve its financial position for reporting purposes, adjust its capital structure and provide optimal conditions for raising the necessary working capital to pursue Wolfpack's business objectives, Wolfpack has entered into agreements with, among others, certain current and former directors and officers of Wolfpack, to convert a portion of the outstanding indebtedness of Wolfpack owed to such directors and officers to common shares of the Corporation (the "**Common Shares**").

5. **Full Description of Material Change**

The Corporation announced the entering into of a series of related arrangements to restructure Wolfpack's outstanding indebtedness and to remediate its financial position with respect to financial reporting.

Details of the Debt Conversion

Wolfpack indirectly entered into shares for debt agreements (the "**\$0.005 Shares for Debt Agreements**") with certain current and former directors and officers of the Corporation, including Mr. Tony Di Benedetto and Mr. Richard Buzbuzian pursuant to which Wolfpack's outstanding indebtedness to these individuals and their respective associates and affiliates, being \$230,777 and \$230,777 respectively, will be reduced through the conversion of a portion of such outstanding indebtedness into Common Shares, at a deemed issue price per Common Share equal to \$0.005. The Common Shares issued pursuant to the \$0.005 Shares for Debt Agreements will be registered to, or at the direction of, each of individuals named above in accordance with the \$0.005 Shares for Debt Agreements. An aggregate of \$502,500 of debt will be settled pursuant to the \$0.005 Shares for Debt Agreements.

In addition, contemporaneously with the \$0.005 Shares for Debt Agreements, Wolfpack indirectly entered into shares for debt agreements (the "**\$0.02 Shares for Debt Agreements**", and collectively with the \$0.005 Shares for Debt Agreements, the "**Shares for Debt Agreements**"), with, among others, Mr. Koby Smutylo, a director and Chief Executive Officer of Wolfpack, pursuant to which Wolfpack's outstanding indebtedness to a company controlled by Mr. Smutylo, being \$600,000, will be eliminated by way of the conversion of the outstanding indebtedness into Common Shares, at a deemed issue price per Common Share equal to \$0.02. An aggregate of \$1.2 million of debt will be settled pursuant to the \$0.02 Shares for Debt Agreements.

Following the issuance of the Common Shares under the Shares for Debt Agreements and related transactions, Mr. Di Benedetto will own or control, directly or indirectly, 25,500,000 Common Shares, representing approximately 15.9% of the total issued and outstanding Common Shares, Mr. Buzbuzian will own or control, directly or indirectly, 18,800,000 Common Shares representing approximately 11.7% of the total issued and outstanding Common Shares and Mr. Smutylo will own or control, directly or indirectly, 30,000,000 Common Shares representing approximately 18.7% of the total issued and outstanding Common Shares.

In aggregate, a total of 160,500,000 Common Shares will be issued by the Corporation pursuant to the Shares for Debt Agreements, of which 74,300,000 will be owned or controlled, directly or indirectly, by current board members or officers of the Corporation and their respective associates and affiliates representing approximately 46.2% of the issued and outstanding Common Shares. Following the issuance of Common Shares pursuant to the Shares for Debt Agreements, the Corporation will have 160,755,510 Common Shares issued and outstanding.

#### Background to the Debt Conversion

Prior to May 26, 2015 the Corporation (formerly, Josephine Mining Corp.) was a company engaged in the exploration of mineral properties, but had not conducted any mining exploration activities since 2014. In 2015 cease trade orders were issued by the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission (collectively, the "**Commissions**") with respect to trading in the securities of the Corporation (the "**Cease Trade Orders**"). The Cease Trade Orders were issued as a result of the Corporation's failure to file its annual audited financial statements, annual management's discussion and analysis and certification of its annual filings for the year ended December 31, 2014. The Common Shares were transferred to the NEX board of the TSX Venture Exchange on August 21, 2015, and ultimately delisted from trading on March 23, 2016. Since then, the Corporation has been an unlisted, cease traded, insolvent and inactive corporate entity in which the current shareholders of the Corporation had no economic interest as a result of the liabilities of Wolfpack exceeding the value of its assets.

In late 2018, Buzbuzian Capital Corp. ("**Buzbuzian Corp.**"), a corporation controlled by Mr. Buzbuzian, entered into private agreements with the creditors of the Corporation pursuant to which Buzbuzian Corp. acquired substantially all of the outstanding debt of the Corporation in exchange for cash payments and other consideration advanced to such creditors by Buzbuzian Corp. (the "**Debt Purchases**"). In addition, Buzbuzian Corp. advanced funds on behalf of the Corporation to certain accounting and legal professionals, and to other service providers so that the Corporation could pay certain trade creditors, comply with its obligations under applicable Canadian securities laws and seek the revocation of the Cease Trade Orders.

In early 2019, certain individuals, including Messers Di Benedetto and Buzbuzian, who were independent of the Corporation prior to 2019 (other than with respect to Mr. Buzbuzian who, through Buzbuzian Corp., became a creditor of the Corporation in late 2018) were appointed to the board of directors of the Corporation (the "**Board**") and formed the new management with the intention of seeking the revocation of the Cease Trade Orders and the reactivation of the Corporation. The new Board and management, directly and indirectly, provided financing and consulting services to the Corporation allowing Wolfpack to apply to the Commissions for the full revocation of the Cease Trade Orders, prepare and file certain outstanding continuous disclosure materials (including annual and interim financial statements and statements of executive compensation) and subsequently hold an annual and special meeting of shareholders. On May 27, 2019, the Cease Trade Orders were revoked, following which Mr. Smutylo was appointed Chief Executive Officer of the Corporation. In accordance with an undertaking made by the Corporation to the Commissions, an annual and special meeting of shareholders was held on June 25, 2019 (the "**Meeting**"), following which the Corporation completed a consolidation of its Common Shares on a 100 for 1 basis (the "**Consolidation**") and changed its name to "Wolfpack Brands Corporation" all in accordance with its Articles. Following the Consolidation and name change, Buzbuzian Corp.

assigned portions of the debt acquired pursuant to the Debt Purchases and other indebtedness arising as a result of expenditures made by Buzbuzian Corp. on behalf of the Corporation in pursuit of the revocation of the Cease Trade Orders and the Meeting, to entities controlled by, among others, Mr. Di Benedetto and a former director, as consideration for the capital and services contributed to the arrangement with respect to the revocation of the Cease Trade Orders, the Meeting and the reactivation of the Corporation (the "**Debt Assignments**"). The debt assigned to such entities pursuant to the Debt Assignments, was in some cases, further assigned to associates and affiliates of such entities as well as other arm's length parties as permitted by the definitive documentation regarding the Debt Assignments. Given that, prior to the financial assistance and services provided by the new board and management, the Corporation was insolvent and cease traded, the economic position of the current shareholders of the Corporation will not be adversely affected as a result of the issuance of Common Shares pursuant to the Shares for Debt Agreements and the Debt Assignments. The efforts, contributions and financial commitments made by the new board and management represent the sole reason that the Corporation is currently in good standing as a reporting issuer.

### **Exemption from Shareholder Approval under MI 61-101**

Mr. Di Benedetto, director of the Corporation, Mr. Buzbuzian, director, Executive Chairman and Chief Financial Officer of the Corporation and Mr. Smutylo, director and Chief Executive Officer of the Corporation, are each considered to be a "related party" within the meaning of Multilateral Instrument 61-101 – *Protections of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Shares for Debt Agreements with entities controlled by Messers Di Benedetto, Buzbuzian and Smutylo, the assignment of portions of such debt to the individuals directly, and to associates and affiliates of such persons as permitted by the definitive documentation in respect of Debt Assignments and the subsequent issuance of Common Shares pursuant thereto constitute "related party transactions" within the meaning of MI 61-101. However, in light of the fact that the Corporation is not listed on certain specified exchanges, and that the Board and the independent director have determined that Wolfpack is in serious financial difficulty in that its liabilities significantly exceed its assets, Wolfpack is relying on the exemption from the formal valuation requirement contained in Sections 5.5(b) of MI 61-101 and on the exemption from the minority shareholder approval requirement contained in Section 5.7(1)(e) on MI 61-101 on the basis of the "financial hardship".

Wolfpack's decision to rely on the financial hardship exemption was made with the approval of the independent director free from material interest in the Shares for Debt Agreements and related transactions. No special committee was established in connection with the transactions and no materially contrary view or abstention was expressed or made by any director. After considering and reviewing all of the circumstances currently surrounding Wolfpack and the Shares for Debt Agreements, including: (i) Wolfpack's financial situation as an insolvent, unlisted reporting issuer; (ii) Wolfpack's current financial metrics and urgent capital requirements; (iii) the fact that the settlement of the debt obligations of Wolfpack provides remedial support to the Corporation for financial reporting purposes and recognizes the contributions of Messers Di Benedetto, Buzbuzian and Smutylo in reactivating the Corporation; (iv) that the current shareholders of the Corporation have no reasonable expectation of meaningful economic participation in the Corporation's previous or future business as a result of the Cease Trade Orders, the delisting and the Corporation's insolvency; and (iv) all other relevant factors available to the independent director, the independent director determined that: Wolfpack is in serious financial difficulty; the issuance of Common Shares under the Shares for Debt Agreements (the "**Debt Conversion**") is designed to improve the financial condition of Wolfpack; and the terms of the Debt Conversion are reasonable in the circumstances of Wolfpack as an unlisted and insolvent reporting issuer.

Based on this determination, the Board of Directors (including the independent member of the Board), acting in good faith, has also unanimously determined that Wolfpack is in serious financial difficulty, that the Debt Conversion is designed to improve Wolfpack's financial position, and that

the terms of the Debt Conversion are reasonable in Wolfpack's circumstances as an unlisted and insolvent reporting issuer.

The Corporation anticipates that the closing of the Debt Conversion will occur as soon as possible. This material change report was not filed 21 days prior to the date of the material change, as the Corporation is currently an unlisted reporting issuer for which no published trading market exists and the current shareholders have no material economic interest in the continuing entity or its business, no person who will be prejudiced by such shorter period.

**6. Reliance on subsection 7.1(2) of National Instrument 51-102**

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

**7. Omitted Information**

No information has been omitted on the basis that it is confidential information.

**8. Executive Officer**

Richard Buzbuzian, the President, CFO and Executive Chairman of Wolfpack is knowledgeable about the material change and the Report and may be reached at (647) 501-3290.

**9. Date of Report**

August 21, 2019

**Forward Looking Statements**

This material change report contains forward-looking statements about Wolfpack's objectives, strategies and businesses that involve risks and uncertainties. Forward looking information includes, without limitation, statements regarding the Shares for Debt Agreements, the Debt Conversion, the Debt Assignments and related refinancing transactions. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or state that certain actions, events or results, "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Wolfpack, as the case may be, to be materially different from those expressed or implied by such forward-looking information. Although Wolfpack has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results to differ materially from those contained in this section, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as results from future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Wolfpack does not undertake to update any forward-looking information, except in accordance with applicable securities laws.