

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

**1. Name and Address of Company**

Danavation Technologies Corp. (the “**Company**”)  
21 Roybridge Gate  
Woodbridge, ON L4H 1E6

**2. Date of Material Change**

December 20, 2021

**3. News Release**

A press release disclosing the material change was released on December 21, 2021, through the facilities of CISION Distribution.

**4. Summary of Material Change**

On December 20, 2021, the Company announced that it issued a convertible promissory note in the principal amount of \$750,000 in favour of a certain holder.

**5. Full Description of Material Change**

The Company issued a convertible promissory note (the “**Note**”) in the principal amount of \$750,000. The Note matures on the earlier of: (i) the completion of a minimum financing of \$1,000,000 (the “**Financing**”) or (ii) April 30, 2022 (the “**Maturity Date**”) and will bear interest at an interest rate of 7% per annum calculated at the Maturity Date. Subject to regulatory approval, if required, the Note is convertible into securities of the Company at the option of the holder subject to the completion of the Financing on or prior to the Maturity Date at a conversion price equivalent to the securities issued under the Financing.

The Note issued pursuant to the transaction and any securities issued on conversion of the Note prior to the date that is four months and a day after the issuance of the Note will be subject to a statutory hold period in Canada of four months and one day following the issuance of the Note in accordance with applicable securities laws.

**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 Ricci, President and Chief Executive Officer of the Company at [jricci@danavation.com](mailto:jricci@danavation.com)

## **9. Date of Report**

December 23, 2021.

## **Forward-Looking Information**

*This material change report contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. More particularly and without limitation, this news release contains forward-looking statements and information relating to, among other things, the estimated use of proceeds from the offering, the future business of the Company, potential roll outs of the Company's products and services, further business from the Company's clients, industry outlook and potential and other matters. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.*

*Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.*

*The securities offered have not been registered under the United States Securities Act of 1933, as amended, or any state securities law, and may not be offered or sold in the United States absent registration or an exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy in the United States nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.*