

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

**1. Name and Address of Company**

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

**2. Date of Material Change**

August 26, 2022

**3. News Release**

A news release disclosing the material change was released on August 26, 2022, through the facilities of Newsfile Corp.

**4. Summary of Material Change**

The Company announced that it had closed the second tranche of its previously announced non-brokered private placement through the issuance of 3,120,000 units (each, a “**Unit**”) at a price of \$0.25 per Unit for aggregate gross proceeds of \$780,000 (the “**Offering**”).

In addition, the Company announced that further to its press release of December 20, 2021, the holder of a convertible promissory note in the principal amount of \$750,000 (the “**Note**”) had converted the full amount of the Note into Units in accordance with the terms of the Note (the “**Conversion**”).

**5. Full Description of Material Change**

Pursuant to the Offering, the Company issued 3,120,000 Units at a price of \$0.25 per Unit for aggregate gross proceeds of \$780,000. Each Unit is comprised of one common share in the capital of the Company (each, a “**Common Share**”) and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.35 per Common Share for twenty-four (24) months from the closing of the second tranche of the Offering.

In connection with the second tranche of the Offering, the Company paid a certain eligible person a cash commission of \$25,500.

Pursuant to the Conversion, the Company issued 3,000,000 Common Shares and 1,500,000 Warrants to the holder.

All securities issued pursuant to the Offering and Conversion are subject to a four month hold period from the date of issuance. Proceeds from the Offering will be used by the Company for working capital and for other general and administrative costs. The Company may close additional tranches of the Offering subject to all required regulatory approvals.

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

9. **Date of Report**

August 30, 2022.

**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 material change report contains forward-looking statements and information relating to, the closing of the Offering, 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 material change report. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this material change report 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 material change report are expressly qualified by this cautionary statement.*