

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

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

Loon Energy Corporation (the "**Company**")  
1100, 700 -4<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 3J4

**Item 2. Date of Material Change**

October 13, 2020.

**Item 3. News Release**

Press release issued by the Company on October 13, 2020 in respect to the material change referred to in this report via a Canadian news wire service, a copy of which has been filed via SEDAR.

**Item 4. Summary of Material Change**

The Company announced that it has entered into debt settlement agreements with its directors and officers (the "**Related Parties**") in respect of an aggregate of US\$202,216 owing as bonuses awarded and payable since February 21, 2017 (the "**Bonuses Payable**") and certain notes payable issued in exchange for funds loaned to the Company in the aggregate amount of US\$587,941 (the "**Notes Payable**").

**Item 5. Full Description of Material Change**

The directors and officers have agreed to forgive an aggregate of US\$143,841 of the Bonuses Payable and settle the balance of the Bonuses Payable and the Notes Payable, in aggregate US\$646,316, by way of issuance of common shares at a price per share of CDN\$0.05 or otherwise in accordance with the policies of the TSX Venture Exchange ("**TSXV**"). Any interest accrued and owing pursuant to the Notes Payable since June 30, 2020 will also be forgiven. Assuming an exchange rate of 1.32 the total amount to be settled by way of issuance of common shares is CDN\$853,134 and assuming a settlement price of CDN\$0.05 per share, the Company plans to issue a total of 17,062,680 common shares (the "**Share Issuances**"). The Share Issuances are subject to TSXV and shareholder approval. The Company intends to call an annual and special meeting of shareholders ("**AGM**") for purposes of approving the annual matters and the Share Issuances.

The participation by each of the Related Parties in the Share Issuances constitutes a "related party transaction" as such term is defined by Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**") under applicable securities laws. Under MI 61-101, the Company is relying on an exemption from the formal valuation requirement and will seek a majority of the minority approval of the shareholders for the Share Issuances. The participation by each Related Parties in the Share Issuances was approved by directors of the Company who are independent of the Related Parties for purposes of each Share

Issuance. The Common Shares issued pursuant to the Share Issuances will be subject to a 4-month statutory hold period from the date of issuance of the shares.

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

Not Applicable.

**Item 7. Omitted Information**

No information has been omitted from this material change report.

**Item 8. Executive Officer**

The following senior officer of Environmental Waste International Inc. is knowledgeable about the material change and the Report and may be contacted as follows:

Norman W. Holton, President and CEO  
Telephone: +1-403-875-2008

**Item 9. Date of Report**

October 14, 2020.