

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Trenchant Capital Corp. (the “**Company**”)
Suite 2380 – 1055 West Hastings Street
Vancouver, BC V6E 2E9

Item 2 Date of Material Change

April 25, 2024 and April 29, 2024

Item 3 News Release

News Release dated May 1, 2024 was disseminated via Newsfile Corp.

Item 4 Summary of Material Change

The Company announced that pursuant to an option agreement between the Company and GNQ Insilico Inc. (“**GNQ**”) dated November 30, 2023, as amended from time to time (the “**Option Agreement**”), it has acquired 20% of the total issued and outstanding common shares in the capital of GNQ (the “**Initial Investment**”).

Concurrently with closing the Initial Investment, the Company entered into an amendment agreement to the Option Agreement pursuant to which the parties agreed to complete the Initial Investment with the payment by the Company to GNQ of \$650,000, the issuance of 7,500,000 common shares in the capital of the Company (each, a “**Share**”), and the issuance of 2,600,000 units (each, a “**Unit**”) at a deemed issue price of \$0.25 per Unit, on or prior to April 29, 2024. Each Unit is comprised of one Share and one warrant (each, a “**Warrant**”) to purchase one Share (each, a “**Warrant Share**”) at an exercise price of \$0.50 per Warrant Share until April 29, 2026. The Shares issued to GNQ, and any Warrant Shares issued upon the due exercise of the Warrants, are subject to a voluntary lock-up whereby 50% of the Shares and any Warrant Shares are restricted from transfer until April 29, 2025, and the remaining 50% are restricted from transfer until April 29, 2026.

The Company also announced that further to its News Release of April 18, 2024, the Company closed a first tranche of the non-brokered private placement financing (the “**Offering**”) pursuant to which it issued an aggregate of 450 convertible debenture units (each, a “**Debenture Unit**”) at a price of \$1,000 per Debenture Unit for gross proceeds of \$450,000. Each Debenture Unit is comprised of: (i) \$1,000 principal amount unsecured convertible debenture (each, a “**Debenture**”); and (ii) 1,000 common share purchase warrants (each, a “**Debenture Warrant**”). Each Debenture Warrant will entitle the holder thereof to acquire one Share (each, a “**Debenture Warrant Share**”) at a price of \$0.26 per Debenture Warrant Share for a period of two years following closing. The principal amount of the Debenture will have a maturity date one year following the issuance of the Debentures and will accrue interest at a rate of 10% per annum.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company acquired the Initial Investment.

Concurrently with closing the Initial Investment, the Company entered into an amendment agreement to the Option Agreement pursuant to which the parties agreed to complete the Initial Investment with the payment by the Company to GNQ of \$650,000, the issuance of 7,500,000 Shares, and the issuance of 2,600,000 Units at a deemed issue price of \$0.25 per Unit, on or prior to April 29, 2024. Each Unit is comprised of one Share and one Warrant one Warrant Share at an exercise price of \$0.50 per Warrant Share until April 29, 2026. The Shares issued to GNQ, and any Warrant Shares issued upon the due exercise of the Warrants, are subject to a voluntary lock-up whereby 50% of the Shares and any Warrant Shares are restricted from transfer until April 29, 2025, and the remaining 50% are restricted from transfer until April 29, 2026.

Pursuant to the Option Agreement, the Company may acquire an aggregate of 40% of the total issued and outstanding GNQ Shares by investing an additional \$5,000,000 in GNQ at any time prior to November 30, 2026 (the "**Option Period**"). Subject to the acquisition of 40% of the total issued and outstanding GNQ Shares, the Company may exercise the Option to acquire 50% of the total issued and outstanding GNQ Shares by investing an additional \$10,000,000 in GNQ at any time prior to the expiry of the Option Period.

Upon closing of the Initial Investment, GNQ acquired, as consideration from the Company, 7,500,000 Shares and 2,600,000 Units together with additional cash consideration. In aggregate, GNQ now beneficially owns a total of 10,100,000 Shares and 2,600,000 Warrants, with such Warrants exercisable for an additional 2,600,000 Shares, representing 17.0% of the total issued and outstanding Shares on an undiluted basis (or 19.9% on a partially diluted basis assuming the Warrants are exercised up to the maximum percentage permitted by the terms of the Warrants). Prior to the Initial Investment, GNQ did not own any securities of the Company. The aggregate value of the 7,500,000 Shares issued is \$150,000 and the aggregate value of the Units is \$650,000, resulting in a total aggregate value of \$800,000, plus \$1,850,000 in additional cash consideration paid in the previous tranches of the Initial Investment. The Shares and Units were acquired for investment purposes and in the future, additional securities of the Company may be acquired or disposed of by GNQ as circumstances or market conditions may warrant.

The Company also closed the Offering pursuant to which it has issued an aggregate of 450 Debenture Units at a price of \$1,000 per Debenture Unit for gross proceeds of \$450,000. Each Debenture Unit is comprised of: (i) \$1,000 principal amount unsecured Debenture; and (ii) 1,000 Debenture Warrants. Each Debenture Warrant will entitle the holder thereof to acquire one Debenture Warrant Share at a price of \$0.26 per Debenture Warrant Share for a period of two years following closing. The principal amount of the Debenture will have a maturity date one year following the issuance of the Debentures and will accrue interest at a rate of 10% per annum.

At the sole option of the subscriber, the principal amount and accrued interest thereon may be converted into Shares of the Company at a conversion price (the "**Conversion Price**") determined by the closing market price (the "**Market Price**") of the Shares on the Canadian Securities Exchange (the "**CSE**") on the trading day prior to the date the Company receives a Notice of Conversion from the subscriber, provided that the Conversion Price will not be less than \$0.26 per Share, and subject to the policies of the CSE. On the maturity date, at the sole option of the Company, the principal amount and any accrued interest thereon may be converted into Shares at the Conversion Price, subject to the policies of the CSE. Proceeds of the Offering were used for the Company's initial investment in GNQ. The securities issued in connection with the Offering, and the Shares that may be issuable on exercise of the Debenture Warrants and conversion of the Debentures and interest, are subject to a statutory hold period expiring four months and one day after closing of the Offering.

A finder's fee of 1,750,000 Units was paid in connection with the Option Agreement to an arm's length third-party.

Disclosure Required by MI 61-101

Pursuant to MI 61-101, the Offering constituted a "related party transaction", in part, as a certain director of the Company participated in the Offering.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

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

See Item 5.1 above for a description of the Offering.

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

See Item 5.1 above for the description of the use of proceeds.

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

The Company does not anticipate any material effect on the Company's business and affairs.

(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:*

Tom English, a director of the Company, was issued 200 Debenture Units for proceeds of \$200,000.

(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:*

The following table sets out the effect of the Offering on the percentage of securities of the Company beneficially owned or controlled by Mr. English:

Name and Position	Dollar Amount of Debenture Units Purchased	Number of Securities Purchased	No. of Shares Held prior to Closing of the Offering	Percentage of Issued and Outstanding Shares prior to Closing of the Offering	No. of Shares Held After Closing of the Offering	Percentage of Issued and Outstanding Shares After Closing of the Offering
Tom English Director	\$200,000	200 Debentures 200,000 Debenture Warrants	Undiluted: 7,627,500 ⁽¹⁾ Partially Diluted: 9,127,500 ⁽²⁾	Undiluted: 15.47% ⁽³⁾ Partially Diluted: 17.96% ⁽⁴⁾	Undiluted: 7,627,500 ⁽¹⁾ Diluted: 9,327,500 ⁽⁵⁾	Undiluted: 15.47% ⁽⁶⁾ Diluted: 18.28% ⁽⁷⁾

- (1) Comprised of: (i) 4,766,500 Shares held directly and (ii) 2,861,000 Shares held through an RRSP account.
- (2) Comprised of: 4,766,500 Shares held directly, (ii) 2,861,000 Shares held through an RRSP account and (iii) 1,500,000 stock options, each of which is exercisable into one Share, at an exercise price of \$0.05 per Share until October 31, 2025.
- (3) Based on 49,311,286 Shares outstanding prior to the completion of the Offering.
- (4) Based on 50,811,286 Shares comprised of: (i) 49,311,286 Shares outstanding prior to the completion of the Offering and (ii) 1,500,000 Shares that may be issuable on exercise of stock options of the Company.
- (5) Comprised of: 4,766,500 Shares held directly, (ii) 2,861,000 Shares held through an RRSP account, (ii) all of the convertible securities of the Company set out in footnote (2) above, and (iii) 200,000 Debenture Warrants exercisable at a price of \$0.26 per Warrant Share until April 15, 2027 and does not include the conversion, if any, of the Debentures.
- (6) Based on 49,311,286 Shares outstanding following completion of the Offering.
- (7) Based on 51,011,286 Shares comprised of: (i) 49,311,286 Shares outstanding after the completion of the Offering, (ii) 1,500,000 Shares that may be issuable on exercise of stock options of the Company, and (iii) 200,000 Shares that may be issued exercise of the Debenture Warrants, and does not include the conversion, if any, of the Debentures.

(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:*

Mr. English abstained from voting on the resolution approving the Offering with respect to his portion of the Offering. A special committee was not established in connection with the approval of the Offering, 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 related 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:*

The Company entered into a subscription agreement with Mr. English pursuant to which Mr. English agreed to purchase 200 Debenture Units for gross proceeds of \$200,000.

- (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 Offering is exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(a) as the Units purchased do not exceed more than 25% of the market capitalization of the Company and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(b) of MI 61-101 in that the fair market value of the securities distributed in the Initial Tranche is not more than \$2,500,000.

The Company did not file a material change report 21 days prior to closing of the Offering as the Company was not aware of all details of the insider participation in the Offering until just before closing and the Company wished to close the Offering on an expediated basis for business reasons.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None.

Item 8 Executive Officer

Eric Boehnke, CEO (604) 307-4274

Item 9 Date of Report

May 6, 2024