

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Prospect Park Capital Corp. (the “Corporation”)
100 King Street West, Suite 6000
1 First Canadian Place
Toronto, Ontario M5X 1E2

2. Date of Material Change

October 2, 2020

3. News Release

A news release with respect to the material change referred to in this report was disseminated on October 2, 2020 through GlobeNewswire and filed on the system for electronic document analysis and retrieval (SEDAR).

4. Summary of Material Change

The board of directors of the Corporation amended its Statement of Investment Policies and Procedures to change the focus of the Corporation from healthcare investments to investments in the resource sector.

5. Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in the news releases attached hereto.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) of Regulation 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For additional information, please contact James Greig, Chief Executive Officer of the Corporation, at (778) 788-2745.

9. Date of Report

October 2, 2020

PROSPECT PARK CAPITAL TO FOCUS ON RESOURCE SECTOR

Calls Special Shareholder Meeting

Vancouver, British Columbia – October 2, 2020 – Prospect Park Capital Corp. (the “**Company**”) (TSXV:PPK), a public investment issuer, announces today that its board of directors (the “**Board**”) has amended its Statement of Investment Policies and Procedures (the “**Investment Policy**”) to change the focus of the Company from healthcare investments to investments in the resource sector.

The Investment Policy provides broad investment guidelines for the management of the Company with respect to the assets of the Company. A copy of the new Investment Policy is available under the Company’s profile on SEDAR at www.sedar.com.

In addition, with the Company’s new focus and in an effort to improve market liquidity of the common shares of the Company, the Company has called a special shareholders’ meeting (the “**Meeting**”) for November 16, 2020, to seek shareholder approval to split the Common Shares on the basis of up to three (3) post-split Common Shares for each one (1) pre-split Common Share (the “**Split**”), or such number of post-split shares as may be determined by the Board or may be required to obtain approval of the Split from the TSX Venture Exchange (the “**Exchange**”). Additional information relating to the proposed Split will be included in the management information circular of the Company, which will be available on SEDAR at www.sedar.com on or about October 20, 2020. Shareholders of the Company will be asked to pass a special resolution authorizing the Board, at a time it sees fit, to amend the Company’s articles to effect the Split. There are currently 4,740,824 Common Shares issued and outstanding. If and upon the Split becoming effective, on a maximum of three (3) to one (1) basis, it is expected there will be approximately 14,222,472 post-Split Common Shares issued and outstanding on a non-diluted basis (assuming no additional Common Shares are issued after the date hereof). The Board believes the Split is necessary in order for the Company to more easily raise capital, attract business opportunities and improve market liquidity. The Board, in its sole discretion, may revoke the resolution approving the Split and abandon the Split without further approval, action by, or prior notice to shareholders. The Split is subject to shareholder and regulatory approval, including the approval of the Exchange. Registered shareholders are advised not to mail in the certificate(s) representing their Common Shares until they receive a letter of transmittal and confirmation from the Company by way of news release that the Board has decided to implement the Split.

In addition, the board of directors of the Company has approved the adoption of an advance notice by-law (the “**Advance Notice By-law**”) regarding director elections. The purpose of the Advance Notice By-law is to provide a clear process for the shareholders, directors and management to follow when nominating directors of the Company. Such a by-law will ensure that shareholders receive adequate notice of director nominations and sufficient information regarding all director nominees and to allow shareholders to register an informed vote after having been afforded reasonable time for appropriate deliberation. The Advance Notice By-law, among other things, includes a provision that requires advance notice to the Company in certain circumstances where nominations of persons for election to the board of directors are made by shareholders of the Company. This Advance Notice By-law also sets a deadline by which director nominations must be submitted to the Company prior to any annual general or special meeting of the shareholders and also sets out the required information that must be included in the notice to the Company. No person will be eligible for election as a director of the Company unless nominated in accordance with the Advance Notice By-law. In the case of an annual meeting of the shareholders, notice to the Company must be made not less than 30 days and not more than 65 days prior to the date of the annual general meeting. If the annual meeting is being held on a date that is less than 40 days following the date on which the first public announcement of the meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors, notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made. Notwithstanding the foregoing, the board of directors may, in its sole discretion, waive any requirement of the Advance Notice By-law.

For more information on the matters to be voted on at the Meeting, please see the Company’s management information circular which will be filed on the Company’s profile on SEDAR at www.sedar.com at the requisite time prior to the Meeting.

For more information please contact:

James Greig
Chief Executive Officer
Prospect Park Capital Corp.
Tel: (778) 788-2745

The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Forward-looking statements in this news release, include completion of the Split, raising additional capital, attracting business opportunities, improving liquidity and the date of the Meeting and the date additional information relating to the proposed Split, including the management information circular of the Company, will be available on SEDAR. Any number of important factors could cause actual results to differ materially from these forward-looking statements as well as future results, including without limitation approval of the Consolidation by the shareholders and the Exchange. Although the Company believes that the expectations reflected in forward looking statements are reasonable, they can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.