

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

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

Item 2. Date of Material Change

January 25, 2023

Item 3. News Release

A news release with respect to the material change referred to in this report was disseminated on January 25, 2023 through GlobeNewswire and filed on the system for electronic document analysis and retrieval (SEDAR).

Item 4. Summary of Material Change

On January 25, 2023, the Company announced that that it will miss the filing deadline of January 30, 2023 prescribed under National Instrument 51-102 - *Continuous Disclosure Obligations* to file its audited annual financial statements and management discussion & analysis for the financial year ended September 30, 2022, and the corresponding CEO and CFO certificates, all as required by National Instrument 51-102 and National Instrument 52-109 (collectively, the “**Documents**”). Accordingly, the Company has informed staff of the Ontario Securities Commission about its anticipated delay in filing the Documents and has applied to the Ontario Securities Commission pursuant to Part 4 of National Policy 12-203 - *Management Cease Trade Orders* for a Management Cease Trade Order pending the filing of the Documents.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

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

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Senior Officer

For additional information, please contact Malcolm Davidson, Chief Financial Officer of the Company at (604) 218-9797.

Item 9. Date of Report

January 26, 2023.

Prospect Park Announces Late Filing of Annual Financial Statements and Application for Management Cease Trade Order

Vancouver, British Columbia – January 25, 2023 – Prospect Park Capital Corp. (CSE:PPK) (the “**Company**”) announces that it will miss the deadline (the “**Filing Deadline**”) of January 30, 2023 to file its audited annual financial statements and management discussion & analysis for the financial years ended September 30, 2022 and 2021, and the CEO and CFO certificates, all as required by National Instrument 51-102 - *Continuous Disclosure Obligations* and National Instrument 52-109 - *Certification of Disclosure in Issuers’ Annual and Interim Filings* (collectively, the “**Documents**”).

The default is expected as the Company’s auditor has indicated it anticipates requiring additional time to complete its audit and management anticipates it may be necessary to engage an independent valuator to provide an opinion in respect of the acquisition values as at the year-end date in respect of two intangible assets the Company acquired during the year ended September 30, 2022 in order to properly consider if they can support the position to auditor in respect thereof.

Accordingly, the Company has informed staff of the Ontario Securities Commission about its anticipated delay in filing the Documents and has applied to the Ontario Securities Commission pursuant to Part 4 of National Policy 12-203 - *Management Cease Trade Orders* (“**NP 12-203**”) for a Management Cease Trade Order (“**MCTO**”) pending the filing of the Documents, which MCTO will prohibit the Company’s management from trading in the securities of the Company until such time as the Documents are filed. No decision has yet been made by the Ontario Securities Commission on this application. The Ontario Securities Commission may grant the application and issue the Management Cease Trade Order or it may impose an issuer cease trade order if the Documents are not filed on or before January 30, 2023.

If a MCTO is issued, during the period of default and until filing of the Documents, the Company confirms that it intends to satisfy the provisions of the “alternative information guidelines” as set out in NP 12-203, including the requirement to file bi-weekly status reports in the form of news releases containing prescribed updating information. There can be no assurance that a MCTO will be issued. The Company intends to work diligently and expeditiously with its auditors and expects to file the Documents as soon as possible with a current expectation of on or about February 20, 2023.

Until the Company has filed the Documents, the Company has imposed an insider trading black-out on members management and other insiders. The Company confirms that, other than as disclosed in prior press releases and material change reports, there have been no material business developments since the filing on August 29, 2022 of the Company’s latest interim financial reports for the nine month period ended June 30, 2022.

The Company is not currently subject to any insolvency proceedings. If the Company provides any information to any of its creditors during the period in which it is in default of filing the Documents, the Company confirms that it will also file material change reports on SEDAR containing such information as is required.

For more information please contact:

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

Neither the CSE nor its regulation services provider accepts responsibility for the adequacy of accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contain herein.

This news release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information relates

to future events or future performance and reflect the expectations or beliefs of management of the Company regarding future events.

Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends", "expects" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or will "potentially" or "likely" occur. This information and these statements, referred to herein as "forward-looking statements", are not historical facts, are made as of the date of this news release and include without limitation, statements regarding discussions of future plans, estimates and forecasts and statements as to management's expectations and intentions with respect to, among other things: statements with respect to the issuance of a MCTO and the anticipated timing for filing the Documents.

These forward-looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. These risks and uncertainties include, among other things, risks related to the failure of the Company to receive the required corporate and regulatory approvals, including CSE approval, as well as those risk factors discussed or referred to in the Company's disclosure documents filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com. In making the forward looking statements in this news release, the Company has applied several material assumptions, including without limitation, assumptions regarding the Company receiving the required corporate and regulatory approvals, including CSE approval.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Any such forward-looking statements are expressly qualified in its entirety by this cautionary statement. The forward-looking statements included in this news release is made as of the date of this news release. The Company does not undertake to update any forward-looking statement referred to herein, except in accordance with applicable securities laws.