

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Delota Corp. (the “**Company**”)
7941 Jane Street, Unit 2
Concord, ON, L4K 2M7

Item 2. Date of Material Change

July 29, 2022.

Item 3. News Release

A news release was disseminated on July 29, 2022, via Newsfile Corp. and filed on the Company’s SEDAR profile at www.sedar.com.

Item 4. Summary of Material Change

Further to the Company’s press release dated January 27, 2021, a copy of which can be accessed on the Company’s SEDAR profile at www.sedar.com, the outstanding secured loan, in the principal amount of \$200,000 (the “**Loan**”), between the Company and an independent third party (at the time the Loan was entered into) pursuant to the terms of a loan agreement (the “**Loan Agreement**”) has been assigned to a corporation controlled by the Chief Executive Officer of the Company (the “**Assignment**”). The Assignment is subject to TSX Venture Exchange approval.

As at July 29, 2022, the outstanding amount owing by the Company under the terms of the Loan, inclusive of accrued interest, fees, expenses, including legal fees, and other amounts was \$271,510, such amount continues to accrue at a nominal interest rate of 21.70% per annum.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Pursuant to the Loan Agreement, the Loan bears interest at a nominal interest rate of 21.70% per annum, and is payable on demand. The Company’s obligations, pursuant to the Loan Agreement, is guaranteed by the Company’s wholly-owned subsidiary, Spyder Cannabis Subco Inc. (“**Spyder Subco**”), and is secured solely by a first-ranking security interest (the “**Security Interest**”) granted against certain specified assets and inventory of Spyder Subco, pursuant to, respectively, a guarantee agreement and a general security agreement executed by Spyder Subco in favour of the lender, as assigned. The Security Interest ranks *pari passu* with the security interest granted by Spyder Subco to an existing lender of the Company.

The Assignment constitutes a “related party transaction”, as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* (“**MI 61-101**”) due to the involvement of two insiders of the Company (an officer and a 10%+ shareholder) in the transaction and would require the Company to receive minority shareholder approval for and obtain a formal valuation for the subject matter of, the transaction in accordance with MI 61-101, prior to the completion of such transaction. However, in acquiescing to the Assignment, the Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of

MI 61-101, in each case on the basis that the fair market value of the Loan does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

The terms of the Assignment was reviewed and approved by the Company's management; however, due to the nature of the Assignment, the Company did not approve, but acquiesced to the Assignment.

The purpose and business reasons for the transaction is that the original lender requested that the Company agree to the Assignment. The effect of the Assignment is that the debt is now held by an officer of the Company.

After reasonable enquiry, the Company is not aware of any "prior valuation" (as defined in MI 61-101) that has been made in the 24 months prior to the date hereof and that relates to the subject matter of or is otherwise relevant to the participation of the Company and related parties in the Loan and Assignment.

The Company did not file a material change report more than 21 days before the closing date of the Assignment, which is it considers reasonable in the circumstances, as the Company was not involved in the negotiations of the Assignment.

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 with respect to this material change, the following person may be contacted:

Cameron Wickham
Executive Vice Chairman and Chief Executive Officer
Tel: 905 330-1602
Email: info@delota.com
Website: <http://delota.com/>

Item 9. Date of Report

August 4, 2022.