

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

The Delma Group Inc. (the “Company”)
640 avenue Orly, suite 140
Dorval, QC H9P 1E9
Telephone: 844 413 3562

Item 2. Date of Material Change

July 12, 2018

Item 3. News Release

The press release dated July 13, 2018 was forwarded to the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission via SEDAR and disseminated via Newswire.

Item 4. Summary of Material Change

On July 12, 2018, Delma Real Estate Corporation, a wholly owned subsidiary of The Delma Group Inc. announced the acquisition of 100% of the issued and outstanding shares of four privately held real estate companies that collectively own a real estate portfolio worth approximately \$50,000,000. This transaction is a “related party transaction” (as defined under *Multilateral Instrument 61-101*), but the Company is exempted from obtaining the minority approval and a formal valuation pursuant to sections 5.5(a) and 5.7(a) of *Multilateral Instrument 61-101*.

Item 5. Full Description of Material Change

Please see the attached press release.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report :

Henri Petit
Director and Secretary of the Company
Hpetit@ghp.ca

Item 9. Date of Report

SIGNED at Montreal, Quebec, this twelfth day of July, 2018.

“Henri Petit”

Henri Petit
Secretary and Director



**Press Release # 5-2018
For Immediate Broadcast**

DELMA Group acquires diversified Portfolio of income-generating assets and land for development across the Province of Quebec

Montreal, Friday, July 13th, 2018 – (CSE:DLMA) The Delma Group Inc. (“**Delma**” or the “**Company**”) is pleased to announce that its wholly-owned subsidiary, Delma Real Estate Corporation has closed a transaction on July 12, 2018 with Gestion H. Petit Inc. (“**HPH**”) and four of its operating subsidiaries (namely GHP Real Estate Corporation Inc., Emergia Real Estate Inc., Aux 22 Sentiers Inc., and 9335-5709 Quebec Inc.) (the “**Acquired Companies**”). Delma purchased all of the issued and outstanding shares of the Acquired Companies for a net price of \$14.9M paid by the issuance of Delma common shares, at a price of \$6.00 per share. (the “**Transaction**”). Over the last few months, Delma acquired from the Acquired Companies a real estate portfolio worth approximatively \$50,000,000.

“This transaction is perfectly in line with the Company’s plan as it includes interesting revenue generating assets and short term development properties in different regions of the Province of Quebec, including the Montreal, Quebec City, Gatineau and the Eastern Townships areas” stated François Castonguay, the president of the Company.

The new acquisitions by Delma since April 30th, 2018 increase the Company’s total assets to over \$136 million. Several more acquisitions are planned and will be forthcoming.

Mr. Henri Petit, Director and Secretary of the Company held the majority of the purchased shares in the capital of the Acquired Companies. As such, the Transaction constitutes a “related party transaction” pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transaction* (“**MI 61-101**”). The Company is exempted from obtaining minority approval and a formal valuation for the issuance of shares to Mr. Henri Petit pursuant to Sections 5.5(a) and 5.7(a) of MI 61-101, respectively, because at the time of the Transaction neither the fair market value of the subject matter of, nor the fair market value consideration for the transaction, exceeded 25% of the Company’s market capitalization.

The DELMA Group is a Montreal-based company specialized in the development, owning and operating of real estate assets in Canada, the U.S. and Europe. Delma is a publicly-traded company on the Canadian Security Exchange (CSE) since late March 2018, and puts forward an agile and efficient investment platform aimed at optimizing yield while mitigating risks through its various subsidiaries: DELMA Real Estate Corporation (DREC), DELMA Hospitality Corporation (HDC), and DELMA Management Services Corporation (DMSC).

For more information, please visit www.delma.ca. DLMA.CN

**Source: The Delma Group Inc.
For more Information, please contact:**

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