

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. Name and Address of Company

Kootenay Zinc Corp. (“**Kootenay**” or the “**Company**”)
400 - 837 West Hastings Street, Vancouver, British Columbia
V6C 3N6

Item 2. Date of Material Change

July 27, 2020

Item 3. News Release

On July 27, 2020, Kootenay issued a press release with respect to the material change described below.

Item 4. Summary of Material Change

On July 27, 2020, Kootenay formally commenced an offer (the “**Offer**”) supported by the board of directors (the “**Lifted Board**”) of Lifted Innovations Inc. (“**Lifted**”) to acquire all of the issued and outstanding shares of Lifted (the “**Shares**”) and all of the issued and outstanding options to acquire Shares (the “**Options**”, and together with the Shares, the “**Securities**”). The Offer is in connection with Kootenay’s proposed business combination with Canndora Delivery Ltd. (“**Canndora**”), Greeny Collaboration Group (Canada) Inc. (“**Greeny**”) and Lifted that will result in a reverse takeover and change of business of Kootenay (the “**Transaction**”).

Item 5. Full Description of Material Change

On July 27, 2020, Kootenay formally commenced the Offer supported by the Lifted Board to acquire all of the Securities of Lifted. Shareholders and optionholders of Lifted (“**Lifted Securityholders**”) will be entitled to receive one (1) common share (“**PeakBirch Share**”) of PeakBirch Logic Inc. (“**PeakBirch**”) for each Share held and one (1) option to acquire one (1) PeakBirch Share (“**PeakBirch Option**”) for each Option held. Kootenay will be renamed “PeakBirch Logic Inc.” upon closing of the Transaction and has applied to have the PeakBirch Shares listed on the Canadian Securities Exchange. The Offer will be open for acceptance for 36 days until 5:00 p.m (Toronto time) on September 1, 2020, unless extended or withdrawn. The Offer will also be extended for a period of not less than 10 days after Kootenay first takes up the Securities under the Offer, provided that Kootenay does not take up and pay for 100% of the issued and outstanding Lifted Shares at the expiry of the initial deposit period.

The Lifted Board has unanimously approved Kootenay’s acquisition of Lifted pursuant to the Offer and has unanimously recommended that Lifted Securityholders tender their Securities to the Offer. As of July 27, 2020, certain key Lifted Securityholders representing approximately 61% of the issued and outstanding Shares and approximately 73% of the issued and outstanding Options have agreed to tender their Securities to the Offer.

The Offer is part of the Transaction involving Kootenay’s proposed business combination with Canndora, Greeny and Lifted that will result in a reverse takeover and change of business of Kootenay. Subject to the closing of the Transaction, PeakBirch, the resulting issuer following closing of the Transaction, will continue as a combination of the businesses of Canndora, Greeny and Lifted consisting primarily of operating e-commerce stores, providing services and related products to the cannabis industry. Closing of the Transaction is subject to a number of conditions, including, among others: (i) approval of the Canadian Securities Exchange; (ii) approval of Kootenay’s shareholders; (iii) completion of the consolidation of the Company’s shares; and (vii) completion of a financing of Canndora of a minimum of CAD \$500,000 and up to CAD \$1,500,000 prior to or concurrently with the closing of the Transaction. Subject to the foregoing conditions being satisfied or, if applicable, waived, the Transaction is anticipated to close in September, 2020.

The Offer is subject to certain conditions including, among others: (i) more than 50.1% of the issued and outstanding Shares shall have been validly deposited to the Offer and not withdrawn; (ii) conditional approval of the Canadian Securities Exchange for the Transaction shall have been obtained; (iii) Kootenay shall have obtained the requisite approval of the shareholders of Kootenay to the Transaction; (iv) the shareholders of each of Cannadora and Greeny shall have approved the amalgamation of Cannadora, Greeny and one of Kootenay's subsidiaries; and (v) other customary closing conditions similar to a transaction of this nature.

Forward Looking Statements

Except for the statements of historical fact, this material change report contains "forward-looking information" within the meaning of the applicable securities legislation. The information in this material change report about future plans and objectives of the Company, are forward-looking information, including: the proposed Transaction and financing; and the intentions, plans and future actions of the Company. This forward-looking information is based on reasonable assumptions and estimates of management of the Company at the time it was made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others: the Transaction and financing may not close on the terms and timing as currently anticipated, or at all; the COVID 19 crisis; the Transaction, if completed, may not result in any tangible benefits to the Company or shareholders; and other related risks as more fully set out in the Company's continuous disclosure record filed at www.sedar.com. The Company has also assumed that no significant events occur outside of the Company's normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially, 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 information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

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

Not applicable.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

Executive Officer: Von Torres
Interim Chief Executive Officer and Chief Financial Officer
Email: von@essoscorporate.com.

Item 9. Date of Report

August 5, 2020