

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. Reporting Issuer

Gencan Capital Inc.
108 Avenue Road
Toronto, Ontario M5R 2H3

ITEM 2. Date of Material Change

May 29, 2018

ITEM 3. Press Releases

A press release in the form of Schedule A attached hereto was disseminated on May 30, 2018 via Cision news service.

ITEM 4. Summary of Material Change

Gencan Capital Inc. ("Gencan") (CSE - "GCA" - Common) has announced the signing of an agreement of purchase and sale (the "Purchase Agreement") dated May 29, 2018 with Highroad Estates Inc. ("Highroad"). Following the recommendation of the independent directors of Gencan, the Purchase Agreement was approved by the Gencan Board of Directors on May 29, 2018. A complete copy of the Purchase Agreement can be found on SEDAR at www.sedar.com.

The Purchase Agreement provides for the sale (the "Transaction") by Gencan to Highroad of Gencan's renewable power solar PV rooftop assets (the "Photovoltaic Plant"). The sale of the Photovoltaic Plant represents the sale of all or substantially all of the assets of Gencan.

Genterra Capital Inc. ("Genterra") and Highroad is each a "related party" of Gencan as defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). A "related party" includes, among other things, a control person of the entity and an affiliate of the control person. Genterra is considered a control person by virtue of its ownership of 12,564,188 Common Shares of Gencan (representing 78.1% of the issued and outstanding Common Shares) and Highroad is an affiliate of Genterra.

In connection with the proposed sale, Corporate Valuation Services Limited, which was engaged by Gencan as an independent valuator, has provided a valuation of the Photovoltaic Plant, in accordance with Multilateral Instrument 61-101. The valuation report provides that as at March 31, 2018, subject to the scope of review, assumptions, qualifications, considerations and limitations set forth therein, the estimate of fair market value of the Photovoltaic Plant is \$2,635,000. Particulars of the valuation will be provided to shareholders with the meeting materials. Based on the conclusions of Corporate Valuation Services Limited, among other matters considered, the Directors unanimously determined that the proposed transaction is in the best interests of Gencan and is fair, from a financial point of view, to the minority shareholders of Gencan.

ITEM 5. Full Description of Material Change

5.1 Full Description of Material Change

See Schedule A attached.

5.2 Disclosure for Restructuring Transactions

The Purchase Agreement provides for the Transaction by Gencan to Highroad of Gencan's Photovoltaic Plant. The sale of the Photovoltaic Plant represents the sale of all or substantially all of the assets of Gencan.

Genterra and Highroad is each a "related party" of Gencan as defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). A "related party" includes, among other things, a control person of the entity and an affiliate of the control person. Genterra is considered a control person by virtue of its ownership of 12,564,188 Common Shares of Gencan (representing 78.1% of the issued and outstanding Common Shares) and Highroad is an affiliate of Genterra.

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

Not applicable.

ITEM 7. Omitted Information

Not applicable.

ITEM 8. Executive Officer

The following Officer of the Reporting Issuer may be contacted for further information:

Stan Abramowitz, Secretary
(416) 920-0500

ITEM 9. Date of Report

This report is dated this 30th day of May, 2018.

Schedule A

GENCAN ANNOUNCES SALE OF ASSETS

Toronto, ON May 30, 2018 – Gencan Capital Inc. ("Gencan") (CSE - "GCA" - Common) is pleased to announce the signing of an agreement of purchase and sale (the "Purchase Agreement") dated May 29, 2018 with Highroad Estates Inc. ("Highroad"). Following the recommendation of the independent directors of Gencan, the Purchase Agreement was approved by the Gencan Board of Directors on May 29, 2018. A complete copy of the Purchase Agreement can be found on SEDAR at www.sedar.com.

The Purchase Agreement provides for the sale (the "Transaction") by Gencan to Highroad of Gencan's renewable power solar PV rooftop assets (the "Photovoltaic Plant"). The Photovoltaic Plant is located on an approximately 120,000 square foot portion of the roof at 450 Dobbie Drive, Cambridge, Ontario pursuant to a lease agreement with Genterra Capital Inc. ("Genterra"), the owner of the leased premises. The Photovoltaic Plant generates solar energy for utility, commercial and residential customers under a 20 year Feed-In Tariff Program Contract with the Ontario Power Authority. The sale of the Photovoltaic Plant represents the sale of all or substantially all of the assets of Gencan.

The consideration to be paid by Highroad to Gencan for the Photovoltaic Plant is an aggregate of \$2,635,000 (subject to customary closing adjustments) and consists of: a) a cash payment of \$577,030; and b) an assumption of a loan payable by Gencan to Genterra in the amount of \$2,057,970.

Genterra and Highroad is each a "related party" of Gencan as defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). A "related party" includes, among other things, a control person of the entity and an affiliate of the control person. Genterra is considered a control person by virtue of its ownership of 12,564,188 Common Shares of Gencan (representing 78.1% of the issued and outstanding Common Shares) and Highroad is an affiliate of Genterra.

In connection with the proposed sale, Corporate Valuation Services Limited, which was engaged by Gencan as an independent valuator, has provided a valuation of the Photovoltaic Plant, in accordance with Multilateral Instrument 61-101. The valuation report provides that as at March 31, 2018, subject to the scope of review, assumptions, qualifications, considerations and limitations set forth therein, the estimate of fair market value of the Photovoltaic Plant is \$2,635,000. Particulars of the valuation will be provided to shareholders with the meeting materials. Based on the conclusions of Corporate Valuation Services Limited, among other matters considered, the Directors unanimously determined that the proposed transaction is in the best interests of Gencan and is fair, from a financial point of view, to the minority shareholders of Gencan.

The Closing Date of the Transaction is expected to occur on or about July 4, 2018, following the receipt of approval of the shareholders of Gencan, and upon satisfaction of all the conditions in the Purchase Agreement.

Full details of the transaction will be included in Gencan's management information circular which is expected to be mailed to shareholders on or about June 1, 2018 for a meeting to be held on June 28, 2018.

This news release is for information purposes only and is not a substitute for the definitive agreement which will effect the proposed transaction. There can be no assurance that the conditions of closing will be satisfied, or that the transaction will be completed as proposed or at all.

This news release may contain forward-looking statements that involve risks and uncertainties and are based on current expectations. Consequently, actual results could differ materially from the expectations expressed in forward-looking statements.

Gencan Capital Inc. is a Canadian Company with significant interests in solar generation equipment located in Ontario, Canada.

For further information, please contact:

Stan Abramowitz, Secretary
(416) 920-0500