

MATERIAL CHANGE REPORT

Item 1 — Name and Address of Company

SoLVBL Solutions Inc. (“**SoLVBL**” or the “**Company**”)
Suite 5700 - 100 King Street West
Toronto, Ontario, M5X 1C7

Item 2 — Date of Material Change

The date of the material change was September 29, 2023.

Item 3 — News Release

On October 11, 2023, a news release in respect of the material change was disseminated by the Company through Newsfile. A copy of the news release is appended as Schedule “A and was filed under the Company’s profile on SEDAR+ at www.sedarplus.ca.

Item 4 — Summary of Material Change

On October 11, 2023, the Company announced that it had entered into debt settlement and release agreements (the “**Debt Settlement Agreements**”) with, among others, certain creditors of the Company and certain creditors of Darkhorse (as defined herein), a wholly-owned subsidiary of the Company (collectively, the “**Creditors**”). Pursuant to the terms of the Debt Settlement Agreements, Darkhorse Films Ltd (“**Darkhorse**”) has issued from treasury an aggregate of 9,599,900 shares of common stock (the “**Darkhorse Shares**”) to the Creditors as full and final settlement of all existing indebtedness in the aggregate amount of \$3,432,858 (the “**Indebtedness**”) owing to the Creditors (the “**Transaction**”). The Indebtedness relates to accrued operating costs of Darkhorse and a contingent liability owing by the Company to the former shareholders of Darkhorse in connection with the Company’s acquisition of all of the issued and outstanding Darkhorse Shares which was completed on October 26, 2022 (the “**Darkhorse Acquisition**”). No securities of the Company were issued pursuant to the Transaction.

Following completion of the Transaction, the Creditors now own 96% of the issued and outstanding Darkhorse Shares and the Company has retained 4% of the issued and outstanding Darkhorse Shares.

This material change report contains the applicable portions of the disclosure required by Part 5 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

Certain Creditors are considered a “related party” to the Company under MI 61-101. Accordingly, the Transaction is considered a “related party transaction” pursuant to MI 61-101. The Company is relying upon the “Financial Hardship” exemption from the formal valuation and minority shareholder approval requirements under MI 61-101 in Sections 5.5(g) and 5.7(1)(e). The Company did not file a material change report in respect of the Transaction at least 21 days before the closing of the Transaction because the Company wanted to improve its financial position as expeditiously as possible.

Item 5 — Full Description of Material Change

The purpose and business reasons for the Transaction.

The Transaction is being undertaken by the Company for the purpose of improving the financial position of the Company. Previously, the Company undertook a range of activities to enhance its working capital position, including a reduction of the Company’s workforce and renegotiating contract terms with customers, suppliers and trade creditors.

The anticipated effect on the Transaction on SoLVBL’s business and affairs.

The Transaction is expected to have a positive impact on the Company’s financial position and reduce its accrued and contingent liabilities.

A description of:

- i. The interest in the Transaction of every interested party and of the related parties and associated entities of the interested parties.**

David van Herwaarde, a director of the Company, will be issued an aggregate of 702,140 Darkhorse Shares in settlement of \$251,080 of Indebtedness.

Paul Carroll, Interim Chief Executive Officer of the Company, will be issued an aggregate of 702,140 Darkhorse Shares in settlement of \$251,080 of Indebtedness.

- ii. The anticipated effect of the Transaction on the percentage of securities of SoLVBL, or of an affiliated entity of SoLVBL, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage.**

Prior to the completion of the Transaction, none of David van Herwaarde or Paul Carroll held any Darkhorse Shares, as Darkhorse is a wholly-owned subsidiary of the Company. Following the completion of the Transaction, David van Herwaarde and Paul Carroll each own 7% of the issued and outstanding Darkhorse Shares.

A discussion of the review and approval process adopted by the board of directors and the special committee, if any, of SoLVBL for the Transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee.

The board of directors of the Company (the “**Board**”) considered the reasonableness and fairness of the Transaction which was approved by disinterested members of the Board. No materially contrary view or abstention was expressed or made by any director of the Company in relation thereto. The participation by certain insiders and other related parties of the Company is not expected to have a material effect on the Company’s business and affairs. The Board did not establish a special committee to review the Transaction.

A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the Transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction.

Not applicable.

Disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

- i. that has been made in the 24 months before the date of the material change report; and**
- ii. the existence of which is known, after reasonable enquiry to SoLVBL or to any director or officer of SoLVBL.**

In respect of the Darkhorse Acquisition, an independent valuation of Darkhorse was completed on May 26, 2023 (the “**Valuation Report**”) by MNB Valuation Inc. Pursuant to the Valuation Report, the total fair value of consideration as of the closing date of the Darkhorse Acquisition was \$3,690,490. The valuation contained in the Valuation Report was calculated using the Finnerty model with inputs of volatility of 105%, 0.33 year expiration and the Company’s share price of \$0.02. The Company and the vendors of Darkhorse agreed further that the cash deposit of \$150,000 payable as of the closing date of the Darkhorse Acquisition would be settled in common shares of the Company (“**Common Shares**”) on May 31, 2023. Discounting it using the risk free rate of 3.87% gives a fair value of \$146,600 as of the closing date of the Darkhorse Acquisition, with 7,330,000 Common Shares to be issued at the market price of \$0.02 per Common Share as of October 26, 2022. The discounted fair value of the contingent \$2,500,000 cash consideration was determined as \$1,547,000 as of the closing date of the Darkhorse Acquisition, using a weighted average cost of capital rate of

12.95% and a probability of closing the financings of 75%. An increase or decrease in the estimate of the probability of closing the financings of 5% would result in a change of approximately \$100,000.

A copy of the Valuation Report is available for inspection at Suite 5700 - 100 King Street West, Toronto, Ontario, M5X 1C7. A copy of the Valuation Report will be sent to any security holder upon request for a nominal charge sufficient to cover printing and postage.

The general nature and material terms of any agreement entered into by SoLVBL, or a related party of SoLVBL, with an interested party or a joint actor with an interested party, in connection with the Transaction.

Other than the Debt Settlement Agreements, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Transaction. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Transaction.

Disclosure of the formal valuation and minority approval exemptions, if any, on which SoLVBL is relying under sections 5.5 and 5.7, respectively, and the facts supporting reliance on the exemptions.

The Transaction is exempt from the formal valuation and the minority shareholder approval requirements set out in MI 61- 101 pursuant to the financial hardship exemption, which provides an exemption where the financial hardship criteria set out in Subsections 5.5(g) and 5.7(e) of MI 61-101 are met on the basis that (i) the Company was in serious financial difficulty; (ii) the Debt Settlement Agreements, and the related issuance of the Darkhorse Shares, was designed to improve the financial position of the Company; (iii) the Company was not in a court-supervised bankruptcy or insolvency process; (iv) the Company has one or more independent directors in respect of the Transaction; and (v) the Board, and at least two-thirds of the Company's independent directors, determined that the foregoing factors apply to the Company and that the terms of the transfer were reasonable in the circumstances. Further, there is no other requirement, corporate or otherwise, to hold a meeting to obtain any approval of the holders of any class of affected securities.

5.1 – Full Description of Material Change

See the news release disseminated by the Company on October 11, 2023 attached hereto as Schedule "A".

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 — Director

Paul Carroll, Chief Executive Officer of the Company, is knowledgeable about the material change and this report. Mr. Carroll can be contacted at paul.carroll@solvbl.com.

Item 9 — Date of Report

October 11, 2023

SCHEDULE A

(See attached)