

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Aduro Clean Technologies Inc. (the “**Company**” or “**Aduro**”)
Suite 104, 1086 Modeland Road
Sarnia, Ontario, Canada, N7S 6L2

Item 2 Date of Material Change

April 27, 2022 and May 2, 2022.

Item 3 News Release

The news releases dated April 27, 2022 and May 2, 2022 were disseminated via Accesswire.

Item 4 Summary of Material Change

The Company announced that it has closed a second (and final) tranche of its previously announced non-brokered unit offering (the “**Offering**”). In the second tranche, the Company issued an aggregate of 1,134,916 units (the “**Units**”) at a price of \$0.70 per Unit for aggregate gross proceeds of C\$794,441. Including both tranches, the cumulative gross proceeds of the Offering was C\$2,352,666, which exceeded the previously announced funding target of C\$2 million.

Each Unit is comprised of one common share of the Company (each, a “**Common Share**”) and one Common Share purchase warrant (each, a “**Warrant**”). Each Warrant will entitle the holder to acquire one additional Common Share at a price of \$1.00 per share, for a period of two years from the date the Units are issued. If during the exercise period of the Warrants, but after the resale restrictions on the shares have expired, the Company's shares trade at or above a weighted average trading price of \$1.25 per share for ten (10) consecutive trading days, the Company may accelerate the expiry time of the Warrants by giving written notice to warrant holders by dissemination of a news release that the Warrants will expire 30 days from the date of providing such notice.

Related parties of the Company participated in the Offering for an aggregate of 199,982 Units and gross proceeds of \$139,987. The issuance of the Units to related parties of the Company is a “related party transactions” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company relied on section 5.5(b) of MI 61- 101 for an exemption from the formal valuation requirements of MI 61-101 in respect of the Units issued to related parties of the Company as no securities of the Company are listed on a specified market as defined in MI 61- 101. Aduro relied on section 5.7(a) of MI 61-101 for an exemption from the minority approval requirements of MI 61-101 in respect of the Units issued to the related parties of the Company as neither the fair market value of the Units issued to the related parties of Aduro, nor the consideration paid for the Units issued to the related parties, exceeded 25% of the Company’s market capitalization. No additional insiders or related parties of the Company participated in the second tranche of the

Offering and no new insiders or control persons were created in connection with the closing of the second tranche of the Offering.

In connection with the closing of the second tranche, the Company paid \$29,480 in finder's fees, equal to 7% of the gross proceeds raised and issued 38,900 finder's warrants which entitle the holder thereof to purchase one additional Common Share at a price of \$1.00 per Common Share at any time prior to April 27, 2024.

The proceeds of the second tranche of the Offering will be used for general working capital purposes. The securities issued in the second tranche of the Offering are subject to a four month hold period from the date of issuance.

None of the securities acquired in the Offering will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

On May 3, 2022, the Company announced the appointment of Mena Beshay as its Chief Financial Officer ("**CFO**"), effective immediately. Mr. Beshay assumes the role previously held by Donnacha Rahill, who will serve as an adviser to the Company during the transition period.

Mr. Beshay has over 20 years of experience in senior financial leadership positions. He has an extensive background in financial stewardship, strategic planning, mergers and acquisitions, debt, and equity financing, and he has led operational and financial turnarounds. He was recently appointed as Director on the Board at Charbone Hydrogen, a TSX-V listed company developing Canadian green hydrogen facilities. Previously, Mr. Beshay served as Chief Financial Officer and Global Head of Corporate Development at CloudMD, a TSX-V listed company developing a connected healthcare ecosystem. His prior experience also includes senior finance, audit, and compliance roles at Enercare (acquired by Brookfield Infrastructure), Domtar, and Deloitte. Mr. Beshay is a Chartered Professional Accountant and is a graduate of McGill University as part of their Honours in Accounting program.

As a strong vote of confidence, Mr. Beshay subscribed in the second tranche of the offering for \$105,000.

The Company wishes to thank and recognize the efforts of Donnacha Rahill, who has led the Company's finance function as CFO over the last 12 months.

Item 5 Full Description of Material Change

Disclosure Required by MI 61-101

Pursuant to MI 61-101, the Offering constitutes a "related party transaction" as related parties of the Company participated in the Offering.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

The Company entered into a subscription agreement with Abe Dyck, a related party of the Company, whereby Mr. Dyck agreed to purchase 14,285 Units of the Company at a price of \$0.70 per Unit for proceeds of \$9,999.50.

The Company entered into a subscription agreement with Investor Cubed Inc., a related party of the Company, whereby Investor Cubed Inc. agreed to purchase 35,714 Units of the Company at a price of \$0.70 per Unit for proceeds of \$24,999.80.

(b) the purpose and business reasons for the transaction:

Proceeds of the Offering are anticipated to be used for working capital.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The Offering will provide funds for working capital.

(d) 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:

See item (a).

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be the related parties:

Name and Position	Dollar Amount of Shares Purchased	Number of Securities Purchased	No. of Shares Held prior to Closing of the Private Placement	Percentage of Issued and Outstanding Shares prior to Closing of the Private Placement	No. of Shares Held After Closing of the Private Placement	Percentage of Issued and Outstanding Shares After Closing of the Private Placement
Abe Dyck <i>Related Party</i>	\$9,999.50	14,285 Units	Undiluted: 384,900 Diluted: 862,884 ⁽¹⁾	Undiluted: 0.75% ⁽²⁾ Diluted: 1.67% ⁽³⁾	Undiluted: 399,185 Diluted: 891,454 ⁽⁴⁾	Undiluted: 0.76% ⁽⁵⁾ Diluted: 1.69% ⁽⁶⁾
Investor Cubed Inc. <i>Related Party</i>	\$24,999.80	35,714 Units	Undiluted: Nil Diluted: 75,000 ⁽⁷⁾	Undiluted: 0% ⁽²⁾ Diluted: 0.15% ⁽⁸⁾	Undiluted: 35,714 Diluted: 146,428 ⁽⁹⁾	Undiluted: 0.07% ⁽⁵⁾ Diluted: 0.28% ⁽¹⁰⁾

⁽¹⁾ Comprised of: (i) 384,900 Common Shares held directly; (ii) 235,543 options, each of which is exercisable into one Common Share at a price of \$0.65 per Common Share until April 4, 2031; (iii) 42,242 warrants, each of which is exercisable into one Common Share at a price of \$0.50 per Common Share until April 23, 2025 and (iv) 200,199 class B special warrants which are convertible, for no additional consideration, into Common Shares upon achievement of the Second Milestone (as defined in the securities exchange agreement dated October 22, 2020

between the Company, Aduro Energy Inc and the former shareholders of Aduro Energy Inc.), all of which may be exercised within 60 days.

- (2) Based on 51,168,123 Common Shares outstanding prior to the completion of the Offering.
- (3) Based on 51,646,107 Common Shares comprised of: (i) 51,168,123 Common Shares outstanding prior to the Offering; (ii) 235,543 Common Shares that may be issued on exercise of stock options of the Company; (iii) 42,242 Common Shares that may be issued on exercise of warrants of the Company and (iv) 200,199 Common Shares that may be issued on exercise of class B special warrants of the Company, all exercisable within 60 days.
- (4) Comprised of: (i) 399,185 Common Shares held directly; (ii) all of the convertible securities of the Company set out in footnote 1 and (iii) 14,285 Warrants, each of which is exercisable into one Common Share at a price of \$1.00 per Common Share until April 27, 2024, all of which may be exercised within 60 days.
- (5) Based on 52,303,039 Common Shares outstanding following the completion of the Offering.
- (6) Based on 52,795,308 Common Shares comprised of: (i) 52,303,039 Common Shares outstanding after the completion of the Offering; (ii) 235,543 Common Shares that may be issued on exercise of stock options; (iii) 56,527 Common Shares that may be issued on exercise of warrants and (iv) 200,199 Common Shares that may be issued on exercise of class B special warrants of the Company, all exercisable within 60 days.
- (7) Comprised of 75,000 stock options, each of which is exercisable into one Common Share at a price of \$0.75 per Common Share until February 2, 2024, exercisable within 60 days.
- (8) Based on 51,243,123 Common Shares comprised of: (i) 51,168,123 Common Shares outstanding prior to the Offering and (ii) 75,000 Common Shares that may be issued on exercise of stock options of the Company within 60 days.
- (9) Comprised of: (i) 35,714 Common Shares held directly; (ii) all of the convertible securities of the Company set out in footnote 8 and (iii) 35,714 Warrants, each of which is exercisable into one Common Share at a price of \$1.00 per Common Share until April 27, 2024, all of which may be exercised within 60 days.
- (10) Based on 52,413,753 Common Shares comprised of: (i) 52,303,039 Common Shares outstanding after the completion of the Offering; (ii) 75,000 Common Shares that may be issued on exercise of stock options and (iii) 35,714 Common Shares that may be issued on exercise of warrants, all exercisable within 60 days.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer 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:

A resolution of the board of directors was passed on April 27, 2022 which approved the Offering. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

(f) 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.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related 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:

Not applicable.

(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

See item (a).

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The Company relied on section 5.5(b) of MI 61- 101 for an exemption from the formal valuation requirements of MI 61- 101 in respect of the Units issued to the related parties of the Company as no securities of the Company are listed on a specified market as defined in MI 61- 101. Aduro relied on section 5.7(a) of MI 61-101 for an exemption from the minority approval requirements of MI 61-101 in respect of the Units issued to the related parties of the Company as neither the fair market value of the Units issued to the related parties of Aduro, nor the consideration paid for the Units issued to them, exceeded 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the closing of the Offering, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position.

The material change is fully described in Item 4 above and in the attached news release which has been filed on SEDAR.

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

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Ofer Vicus, Chief Executive Officer
Telephone: 604-362-7011

Item 9 Date of Report

May 5, 2022