

MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

Québec Innovative Materials Corp. (the “Company”)
1100 - 1111 Melville Street
Vancouver, BC V6E V63

Item 2 **Date of Material Change**

May 23, 2024

Item 3 **News Release**

The news release was disseminated by Newsfile, May 23, 2024

Item 4 **Summary of Material Change**

The Company announced that it has closed its previously announced non-brokered private placement by issuing 17,500,000 units of the Company at a price of \$0.03 per Unit for aggregate gross proceeds of \$525,000.

Item 5 **Full Description of Material Change**

5.1 **Full Description of Material Change**

The Company announced that it has closed its previously announced non-brokered private placement (the “**Offering**”) by issuing 17,500,000 units of the Company (the “**Units**”) at a price of \$0.03 per Unit for aggregate gross proceeds of \$525,000.

Each Unit consists of one common share in the capital of the Company (each a “**Common Share**”) and one common share purchase warrant (each a “**Warrant**”), with each Warrant entitling the holder to acquire one additional Common Share for a period of 24 months from closing at an exercise price of \$0.05.

In connection with the Offering, the Company has paid finder’s fees in the amount of \$32,287.50 and has issued 1,076,250 finder warrants (each a “**Finder Warrant**”). Each Finder Warrant entitles the holder to acquire one additional Common Share for a period of 24 months from closing at an exercise price of \$0.05.

The Company will use the net proceeds from the Offering as described in the Company’s Offering Document dated April 29, 2024, as amended on May 6, 2024, primarily for exploration and evaluation of the Company’s existing hydrogen and helium projects and for general working capital. The Offering Document related to the Offering may be accessed under the Company's profile at www.sedarplus.ca and on the Company's website at: www.qimaterials.com.

John Karagiannidis, President and CEO of QIMC stated "Today marks a significant milestone as we announce the successful closing of our hydrogen financing. This investment not only underscores the growing confidence in hydrogen as a key solution for sustainable energy, but also propels us forward in our mission to drive innovation and accelerate the transition and secure energy for the AI revolution."

Of the 17,500,000 Units issued, 14,375,000 Units (proceeds of \$431,250) were issued pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 - Prospectus Exemptions (the "**Listed Issuer Financing Exemption**"), and 3,125,000 Units (proceeds of \$93,750) were issued to Quebec residents to subscribe for Units in reliance upon the "accredited investor" prospectus exemption set out in Quebec Regulation 45-106 respecting Prospectus Exemptions.

The Units offered under the Listed Issuer Financing Exemption will not be subject to resale restrictions pursuant to applicable Canadian securities laws. All other securities issued pursuant to the Offering, including the Units which may be distributed to Mr. Karagiannidis and certain other Quebec residents, will be subject to the statutory hold period of four months and one day from the date of issuance in accordance with applicable Canadian securities laws.

Mr. John Karagiannidis, the President and CEO of the Company subscribed for 1,625,001 Units, representing gross proceeds to the Company of \$48,750.03, through his holding company. The participation by Mr. Karagiannidis in the Offering is considered a related party transaction as defined in *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions* ("**Regulation 61-101**"). Mr. Karagiannidis' participation is exempt from the formal valuation and minority shareholder approval requirements provided under Regulation 61-101 in accordance with Sections 5.5(a) and 5.7(1)(a) of Regulation 61-101. The exemption is due to the fact that neither the fair market value of the proposed participation in the Offering, nor the consideration paid by such related party exceeds 25% of the market capitalization of the Company. QIMC did not file a material change report with respect to the participation of insiders at least 21 days prior to the closing date of the Offering as their participation was only recently determined.

The securities issued pursuant to the Offering have not, nor will they be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons in the absence of U.S. registration or an applicable exemption from the U.S. registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful.

5.2 Disclosure for Restructuring Transactions

N/A

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

N/A

Item 7 **Omitted Information**

None

Item 8 **Officer**

John Karagiannidis CEO

Item 9 **Date of Report**

May 23, 2024