

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

Item 1 Name and Address of Company

Hybrid Power Solutions Inc. (the "Company")
Suite 208 – 333 Terminal Avenue
Vancouver, BC, V6A 4C1

Item 2 Date of Material Change

May 29, 2024

Item 3 News Release

The Company disseminated a news release announcing the material change described herein through the news dissemination services of Newsfile Corp. on June 4, 2024, and a copy was subsequently filed on SEDAR+.

Item 4 Summary of Material Change

The Company announced that it has closed the first tranche of its previously announced non-brokered prospectus offering of units (the "Units") for gross proceeds of \$541,800 (the "Offering").

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that it has closed the first tranche of its previously announced non-brokered prospectus offering of Units for gross proceeds of \$541,800. Each Unit is comprised of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant of the Company (a "**Warrant**"). Each Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.32 per Common Share until May 29, 2026, subject to acceleration.

The acceleration clause of the Warrants provides that, if the daily volume-weighted average price of the Common Shares on the Canadian Securities Exchange (or such other stock exchange where the majority of Common Share trading volume occurs) exceeds \$0.40 for a period of five consecutive trading days between the closing date of the Offering and the expiry of the Warrants, then the Company may, at any time, in its discretion, accelerate the expiry date of the Warrants by providing written notice to the Warrant holders by news release. If the Company provides such notice, then any unexercised Warrants will expire on the 30th day after the date on which the news release is disseminated.

In connection with the first tranche of the Offering, the Company paid finders' fees of \$27,426 and issued 91,420 finder's warrants (the "**Finder's Warrants**") to eligible finders, representing a 7.0% finder's fee on certain subscriptions in the Offering. Each Finder's Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.32 per Common Share until May 29, 2026.

The Company intends to use the proceeds from the Offering for general working capital and corporate purposes.

The Offering was made by means of the Company's prospectus supplement dated April 17, 2024 (the "**Prospectus Supplement**") and the accompanying base shelf prospectus dated March 14, 2024 (the "**Shelf Prospectus**"). Complete details of the Offering are set out in the Prospectus Supplement, and the Prospectus Supplement together with the Shelf Prospectus can be obtained under the Company's SEDAR+ profile at www.sedarplus.ca.

The securities referenced in this report have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any applicable state securities laws and may not be offered or sold in the United States or to "U.S. persons" (as such term is defined in Regulation S under the U.S. Securities Act)

absent such registration or an applicable exemption from such registration requirements. This report shall not constitute an offer to sell or the solicitation of an offer to buy such securities in any jurisdiction.

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 Executive Officer

For further information, please contact Francois Byrne, Chief Executive Officer and Director of the Company, at 1 (866) 549-2743 or via email to invest@hybridps.ca.

Item 9 Date of Report

June 7, 2024