

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

STRATEGEM CAPITAL CORPORATION (the “Company” or “Strategem”)
Suite 210, 240 11 Avenue SW
Calgary, AB T2R 0C3

Item 2. Date of Material Change

May 17, 2021

Item 3. News Release

A news release with respect to the material change described herein was issued on May 17, 2021 and filed on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

The Company has completed its previously announced non-brokered private placement (the “Offering”) and issued an aggregate 5,191,229 units of the Company (the “Units”) for gross proceeds of \$11,887,914.41.

Item 5. Full Description of Material Change

On May 17, 2021, the Company announced that further to its press release of May 5, 2021, it has closed the Offering and issued 5,191,229 Units at a price of \$2.29 per Unit for gross proceeds of \$11,887,914.41.

Each Unit consisted of one common share of the Company (each, a “Share” and collectively, the “Shares”) and one Share purchase warrant (each, a “Warrant” and collectively, the “Warrants”), with each Warrant entitling the holder thereof to acquire one additional Share at an exercise price of \$2.75 for a period of 36 months from the date of issuance. If at any time the closing price of the Shares is equal to or greater than \$10.00 per Share for a period of 15 consecutive trading days, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants will expire on the 30th business day after the date on which such notice is given by the Company in accordance with the terms of the Warrant.

Strategem intends to use the net proceeds of the Offering for general working capital and investment purposes.

The Offering was accepted for filing by the TSX Venture Exchange on May 20, 2021 under submission #514230.

Seven (7) of the Company subscribed for a total of 4,620,040 Units for aggregate gross proceeds of \$10,579,891.60 in connection with the Offering. Such participation is considered to be a “related party transaction” as defined under Multilateral Instrument 61-101 (“**MI 61-101**”). The transaction was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as neither the fair market value of any securities issued to nor the consideration paid by such insiders exceeded 25% of the Company’s market capitalization.

Furthermore, the Shares and Warrants issued pursuant to the Offering have not been and will not be registered under the United States Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws of the United States. Accordingly, the Shares and Warrants may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons”, as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of any offer to buy any of the securities of the Company.

All of the securities issued in connection with the Offering are subject to a statutory hold period in Canada, expiring four months and one day from the date of closing.

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

Not applicable.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential.

Item 8. Executive Officers

The following senior officer of the Issuer is knowledgeable about the material change disclosed in this report.

Jo-Anne O’Connor, President and CEO
Business Telephone No.: 1-833-743-4743

Item 9. Date of Report

May 27, 2021