

**Notice of Change in Corporate Structure
Pursuant to Section 4.9 of National Instrument 51-102**

ITEM 1 Names of the Parties to the Transaction:

Rio Verde Industries Inc. ("**Rio**"), 1319472 B.C. Ltd. ("**1319472**"), 1319651 B.C. Ltd. ("**1319651**"), 1319732 B.C. Ltd. ("**1319732**"), 1319735 B.C. Ltd. ("**1319735**"), 1319738 B.C. Ltd. ("**1319738**"), 1319741 B.C. Ltd. ("**1319741**"), and 1319743 B.C. Ltd. ("**1319743**") (collectively, the "**Parties**").

ITEM 2 Description of the Transaction

Pursuant to the terms and conditions set out in an arrangement agreement dated September 9, 2021 between the Parties (the "**Arrangement Agreement**"), the Parties completed a court approved statutory plan of arrangement (the "**Arrangement**") under Part 9, Division 5 of the Business Corporations Act (British Columbia). As a result of the Arrangement, 1319472, 1319651, 1319732, 1319735, 1319738, 1319741 and 1319743 became reporting issuers in British Columbia and Alberta. Under the Arrangement:

- (a) each of the issued and outstanding common shares of Rio was exchanged for one New Common Share, one Class 1 Reorganization Share, one Class 2 Reorganization Share, one Class 3 Reorganization Share, one Class 4 Reorganization Share, one Class 5 Reorganization Share, one Class 6 Reorganization Share, and one Class 7 Reorganization Share; and all of the common shares of Rio outstanding prior to the Arrangement were cancelled;
- (b) all Class 1 Reorganization Shares were transferred to 1319472 in exchange for common shares of 1319472 as described in Exhibit 1 to the Arrangement Agreement;
- (c) all Class 2 Reorganization Shares were transferred to 1319651 in exchange for common shares of 1319651 as described in Exhibit 1 to the Arrangement Agreement;
- (d) all Class 3 Reorganization Shares were transferred to 1319732 in exchange for common shares of 1319732 as described in Exhibit 1 to the Arrangement Agreement;
- (e) all Class 4 Reorganization Shares were transferred to 1319735 in exchange for common shares of 1319735 as described in Exhibit 1 to the Arrangement Agreement;
- (f) all Class 5 Reorganization Shares were transferred to 1319738 in exchange for common shares of 1319738 as described in Exhibit 1 to the Arrangement Agreement;
- (g) all Class 6 Reorganization Shares were transferred to 1319741 in exchange for common shares of 1319741 as described in Exhibit 1 to the Arrangement Agreement;

Arrangement Agreement;

- (h) all Class 7 Reorganization Shares were transferred to 1319743 in exchange for common shares of 1319743 as described in Exhibit 1 to the Arrangement Agreement;
- (i) Rio redeemed all of the Class 1 Reorganization Shares and satisfied the redemption amount of such shares by the transfer to 1319472 of \$5,000 of working capital;
- (j) Rio redeemed all of the Class 2 Reorganization Shares and satisfied the redemption amount of such shares by the transfer to 1319651 of \$5,000 of working capital;
- (k) Rio redeemed all of the Class 3 Reorganization Shares and satisfied the redemption amount of such shares by the transfer to 1319732 of \$5,000 of working capital;
- (l) Rio redeemed all of the Class 4 Reorganization Shares and satisfied the redemption amount of such shares by the transfer to 1319735 of \$5,000 of working capital;
- (m) Rio redeemed all of the Class 5 Reorganization Shares and satisfied the redemption amount of such shares by the transfer to 1319738 of \$5,000 of working capital;
- (n) Rio redeemed all of the Class 6 Reorganization Shares and satisfied the redemption amount of such shares by the transfer to 1319741 of \$5,000 of working capital;
- (o) Rio redeemed all of the Class 7 Reorganization Shares and satisfied the redemption amount of such shares by the transfer to 1319743 of \$5,000 of working capital; and
- (p) Each of the 1319472, 1319651, 1319732, 1319735, 1319738, 1319741, and 1319743 is now an unlisted reporting issuer in the provinces of British Columbia and Alberta. Shareholders of Rio Verde continue to hold their interest in Rio Verde.

ITEM 3 Effective Date of the Transaction

October 20, 2021

ITEM 4 Names of each Party, if any, that ceased to be a Reporting Issuer subsequent to the Transaction and of each Continuing Entity

No party ceased to be a reporting issuer following completion of the Arrangement. As a result of the Arrangement, 1319472, 1319651, 1319732, 1319735, 1319738, 1319741 and 1319743 became reporting issuers in British Columbia and Alberta.

Rio continues to be a reporting issuer in British Columbia and Alberta.

ITEM 5 Date of the Reporting Issuer's First Financial Year- End Subsequent to the Transaction

The first financial year-end of 1319472, 1319651, 1319732, 1319735, 1319738, 1319741, and 1319743 subsequent to the completion of the Arrangement is July 31, 2022.

ITEM 6 The Periods, including the comparative periods, if any, of the interim and annual financial statements required to be filed for the reporting issuer's first financial year subsequent to the transaction

1319472's first financial statements (audited) after becoming a reporting issuer will be for the period ended July 31, 2022. 1319472's first interim financial statements after it becomes a reporting issuer will be for the three month interim period ended October 31, 2021, the six-month interim period ended January 31, 2022 and the nine-month interim period ended April 30, 2022.

1319651's first financial statements (audited) after becoming a reporting issuer will be for the period ended September 30, 2022. 1319651's first interim financial statements after it becomes a reporting issuer will be for the three month interim period ended October 31, 2021, the six-month interim period ended January 31, 2022 and the nine-month interim period ended April 30, 2022.

1319732's first financial statements (audited) after becoming a reporting issuer will be for the period ended September 30, 2022. 1319732's first interim financial statements after it becomes a reporting issuer will be for the three month interim period ended October 31, 2021, the six-month interim period ended January 31, 2022 and the nine-month interim period ended April 30, 2022.

1319735's first financial statements (audited) after becoming a reporting issuer will be for the period ended September 30, 2022. 1319735's first interim financial statements after it becomes a reporting issuer will be for the three month interim period ended October 31, 2021, the six-month interim period ended January 31, 2022 and the nine-month interim period ended April 30, 2022.

1319738's first financial statements (audited) after becoming a reporting issuer will be for the period ended September 30, 2022. 1319738's first interim financial statements after it becomes a reporting issuer will be for the three month interim period ended October 31, 2021, the six-month interim period ended January 31, 2022 and the nine-month interim period ended April 30, 2022.

1319741's first financial statements (audited) after becoming a reporting issuer will be for the period ended September 30, 2022. 1319741's first interim financial statements after it becomes a reporting issuer will be for the three month interim period ended October 31, 2021, the six-month interim period ended January 31, 2022 and the nine-month interim period ended April 30, 2022.

1319743's first financial statements (audited) after becoming a reporting issuer will be for the period ended September 30, 2022. 1319743's first interim financial statements after it becomes a reporting issuer will be for the three month interim period ended October 31, 2021, the six-month interim period ended January 31, 2022 and the nine-month interim period ended April 30, 2022.

ITEM 7 Documents Which Were Filed Under National Instrument 51-102 that Describe the Transaction and Where Those Documents Can Be Found in Electronic Format

1. Rio's Management Information Circular dated September 2, 2021 (filed on SEDAR September 2, 2021);
2. Rio's news release dated September 3, 2021 (filed on SEDAR September 3, 2021);
3. Rio's material change report dated September 8, 2021 (filed on SEDAR September 8, 2021);
4. Rio's news release dated September 14, 2021 (filed on SEDAR September 14,

2021);

5. Rio's news release dated October 21, 2021 (filed on SEDAR October 21, 2021);
and
6. Rio's material change report dated October 21, 2021 (filed on SEDAR October 21, 2021).

Item 8 Date of Report

October 21, 2021