

FORM 51-102F3
Material Change Report

1. Name and Address of Company:

Composite Alliance Group Inc. (the "Company")
1600, 333 - 7th Avenue SW
Calgary, AB T2P 2Z1

2. Date of Material Change(s):

September 29, 2021.

3. News Release:

A news release relating to the material changes described herein was disseminated on September 29, 2021 through the facilities of Newsfile Corp.

4. Summary of Material Change(s):

The Company announced that that it has entered into amending agreements with the related party creditors Malchemy Corporation Limited ("Malchemy"), Team Alpha Limited ("TAL") and K Plus Capital LLC ("K Plus") for certain outstanding debentures and loans.

5. Full Description of Material Change:

5.1 Full Description of Material Change

Please see attached Schedule "A" for further details regarding the news release disseminated.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) of National Instrument 51-102 *Continuous Disclosure Obligations*:

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer Knowledgeable of Material Change:

Jim Hsieh, President, Chief Executive Officer and Director
Email: jimhsieh@compositealliancegroup.com

9. Date of Report:

September 30, 2021

SCHEDULE "A"

COMPOSITE ALLIANCE GROUP ANNOUNCES AMENDMENTS TO PREVIOUSLY ISSUED DEBENTURES AND LOANS

FOR IMMEDIATE RELEASE

Calgary, Alberta--(Newsfile Corp. – September 29, 2021) – Composite Alliance Group Inc. (the “Company” or “CAG”) (TSXV: CAG) announces that it has entered into amending agreements with the related party creditors Malchemy Corporation Limited (“Malchemy”), Team Alpha Limited (“TAL”) and K Plus Capital LLC (“K Plus”) for the following debentures and loans:

No.	Debenture/Loan	Lender	Principal (\$)	Terms Amended	
				Annual Interest Rate**	Maturity
1	July 2019 debenture	TAL	CND 400,000	From 5% to 2%	-
2	Oct 2019 debenture	TAL	USD 351,507.25	From 5% to 2%	From Oct 7 2024 to Jan 31 2026
3	Nov 2020 debenture-01	Malchemy	CND 600,000	From 5% to 2%	-
4	Nov 2020 debenture-02	K Plus	CND 60,000	From 5% to 2%	-
5	Nov 2020 debenture-03*	TAL	CND 1,000,000	From 5% to 2%	-
6	Convertible bond tranche B	Malchemy	EUR 1,500,005	From 3% to 2%	From Dec 31 2022 to Jan 31 2026
7	Loans	Malchemy	EUR 950,000	-	From Dec 31 2022 to Jan 31 2026

*No amount has been drawn as of the date of this news release.

**Effective from October 1, 2021.

Malchemy is an entity controlled by Sicheng Zhang, a director, officer and shareholder of the Company, and TAL and K Plus are entities controlled by Jim Hsieh, a director, officer and shareholder of the Company. Other than the amendments described herein, the other terms of the debentures and loans remain the same. The purpose of the amending agreements is to reduce the cost to the Company of the debentures and loans and to extend the maturity dates to provide CAG with more flexibility to repay the debentures and loans.

Related Party Participation

The amendments to the debentures and the loans are with entities controlled by insiders of CAG. As insiders of the Company participated in these transactions, they are deemed to be “related party transactions” as defined under Multilateral Instrument 61-101-*Protection of Minority Security Holders in Special Transactions* (“MI 61-101”).

The amending agreements were unanimously approved by the board of directors of the Company, with Sicheng Zhang and Jim Hsieh abstaining.

The amendments to the debentures and the loans are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsections 5.5(a) and 5.7(1)(a)) as the amendments to the debentures and loans have a fair market value not more than 25% of the market capitalization of CAG.

The Company did not file a material change report more than 21 days before the effective date of the amendments because the Company wished to effect the amendments on an expedited basis for business reasons.

For further information, please contact Dale Burstall, Corporate Secretary and Director, via email at dale@burstall.com.

Forward-Looking Statements

This news release may contain certain forward-looking information and statements. Statements containing the words: 'believes', 'intends', 'expects', 'plans', 'seeks' and 'anticipates' and any other words of similar meaning are forward-looking. All statements included herein involve various risks and uncertainties because they relate to future events and circumstances beyond the Company's control. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents on the SEDAR website at www.sedar.com. Any forward-looking statements are made as of the date of this press release and the Company does not undertake to update any forward-looking information except in accordance with applicable securities laws.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

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