

FORM 51-102F3

MATERIAL CHANGE REPORT

**Item 1** **Name and Address of Company**

Minerva Intelligence Inc.  
Suite 301 – 850 West Hastings Street  
Vancouver, BC V6C 1E1

**Item 2** **Date of Material Change**

May 28, 2019

**Item 3** **News Release**

A news release relating to the material change was issued and disseminated on May 28, 2019 through FSCwire and subsequently filed under the Company's profile on SEDAR.

**Item 4** **Summary of Material Change**

Minerva Intelligence Inc. (formerly Two Owls Ventures Corp.) (the “**Company**”) announced that, further to its news releases dated November 8, 2018 and April 4, 2019, it has closed its arm's length Qualifying Transaction, being the acquisition of all of the outstanding shares of Minerva Intelligence (Canada) Ltd., as more particularly described in Item 5 below.

**Item 5** **Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company announced that, further to its news releases dated November 8, 2018 and April 4, 2019, it has closed its arm's length Qualifying Transaction (“**QT**”), being the acquisition of all of the outstanding shares of Minerva Intelligence (Canada) Ltd. (“**Minerva**”) from the former holders thereof, in exchange for shares of the Company.

**Resumption of Trading**

It is expected that on or about June 5, 2019, the Company's common shares will commence trading on the Exchange as a Tier 2 technology issuer under the symbol “MVAI”.

**The Qualifying Transaction**

Pursuant to a Plan of Arrangement and Arrangement Agreement, the following has been completed:

- (a) the Company completed a consolidation of its 6,200,000 outstanding common shares on a two-for-one basis (resulting in 3,100,000 shares outstanding);
- (b) the Company changed its name to “Minerva Intelligence Inc.”;

- (c) Minerva continued its jurisdiction of incorporation from Ontario to British Columbia, to become subject to the B.C. *Business Corporations Act* (“BCBCA”);
- (d) Minerva amalgamated with 1198574 B.C. Ltd. (a wholly owned subsidiary of the Company) and continued as “Minerva Intelligence (Canada) Ltd.” under the BCBCA;
- (e) the Company issued an aggregate of 38,575,005 post-consolidated shares in exchange for all of the outstanding shares of Minerva;
- (f) the Company also issued (i) 1,000,000 post-consolidated shares as a finder’s fee, and (ii) a total of 1,950,000 stock options in replacement of outstanding options in the capital of Minerva, each new option entitling the holder to acquire one share of the Company at the exercise price of \$0.2534 per share; and
- (g) Minerva became a wholly-owned subsidiary of the Company.

### **About Minerva**

Minerva is in the business of developing and marketing artificial intelligent (AI) software products. Minerva’s AI systems combine human expertise (e.g., mineral exploration) with vast amounts of information from public and private databases in a cognitive computer reasoning system to carry out complex tasks faster and more thoroughly than can be done by human beings. One of its first AI software products focuses on enhancing the success rate of minerals exploration. Although mineral deposits are rare and complex with many different attributes, more than 100 years of scientific research has produced many powerful models used to predict where mineral deposits are most likely to occur. Minerva’s AI system combines the power of human knowledge and experience with computer speed and reasoning to streamline mineral discovery.

Minerva initially applied its AI platform to minerals exploration, but it can be used in other industries, such as environmental protection, geohazards, land use planning, insurance and healthcare. Minerva’s AI platform will be available as a software-as-a-service (SaaS) application. Its first of three products for the mineral exploration industry, the [www.yukonmineraltargets.com](http://www.yukonmineraltargets.com) website, was launched in early 2019 and it is also currently developing applications for the geohazards and insurance industries to be released in the near-term.

### **Capital Structure and Resale Restrictions**

The Company currently has issued and outstanding: (i) 42,675,005 shares; (ii) 310,000 stock options exercisable at \$0.20 per share; (iii) 200,000 agent’s options exercisable at \$0.20 per share; and (iv) 1,950,000 stock options exercisable at \$0.2534 per share.

A total of 12,766,675 common shares will be subject to escrow restrictions, including 1,100,000 shares originally issued to the Company’s principals upon listing the Company as a CPC, and 11,666,675 shares issued to new principals and others in connection with the QT. All escrowed shares will be released from escrow as to 10% on listing, and an additional 15% every six months thereafter over 36 months.

In addition (i) 3,416,665 shares are subject to resale restrictions over four months with 20% to be free trading on listing, with an additional 20% every month thereafter; and (ii) 5,166,665 shares will be subject to resale restrictions over 12 months with 20% to be free trading on listing, with an additional 20% every three months thereafter.

### **Financing**

Minerva recently completed two private placements of (i) 2,765,000 shares at US\$1.00 per share for gross proceeds of US\$2,765,000, and (ii) 1,450,000 shares at US\$2.50 per share for gross proceeds of US\$3,625,000. Minerva's working capital as of May 1, 2019 was C\$5,656,000. In addition, the Company has working capital of C\$355,000 (prior to closing expenses). No funds were advanced by Two Owls to Minerva prior to closing of the QT.

### **Management**

The Company's new board of directors and officers are:

#### ***Clinton Smyth – CEO, President and Director***

Mr. Smyth is a geologist and software developer with 40 years of experience in minerals exploration, resource evaluation and mining, 25 of those with one of the largest mining companies in the world. He began his career as a De Beers Consolidated Mines student at the University of Cape Town in 1974, moving to the Anglo American Corporation of South Africa with a BSc (Hons) in geochemistry in 1978. He served Anglo American in diverse roles throughout Africa and Australasia. In 1985 he was sent by Anglo American to Imperial College, London, to study artificial intelligence applications in geology, and in 1996 he moved to Singapore to establish Anglo American's exploration presence in that region. During his career with Anglo American, he held various responsibilities in exploration geochemistry, resource evaluation, software development and corporate management. Mr. Smyth and his team discovered the Buzwagi deposit in Tanzania in 1996; the Boyongan Cu-Au porphyry deposit in the Philippines in 1999; and GT Gold Corp's Saddle Gold Project in British Columbia's Golden Triangle in 2014.

In 2000, as Vice President (Exploration) in Johannesburg, he resigned from Anglo American and co-founded Georeference Online Ltd ("**Georeference**"). Georeference provided consulting services to the minerals exploration and mining industry and develops software applications for mineral exploration and the earth sciences in general. In 2017 Minerva purchased Georeference's artificial intelligence software and intellectual property, and appointed Mr. Smyth as its CEO.

#### ***David Poole – Chief Software Architect and Director***

Professor Poole has been a professor in the department of Computer Science at the University of British Columbia (UBC) for 29 years and is also the director of UBC's Laboratory for Computational Intelligence. He was the winner of the Canadian Artificial Intelligence Association (CAIAC) Lifetime Achievement Award in 2013. Professor Poole is a Fellow of the Association for the Advancement of Artificial Intelligence and a Fellow of CAIAC. In addition, he is an associate editor of the Journal of Artificial Intelligence Research. He was the former chair of the Association for Uncertainty in Artificial Intelligence and a former associate editor of the Artificial Intelligence Journal. During the 2014-2015 academic year, Professor Poole was a Leverhulme Trust visiting professor at the University of Oxford. In 2000, he co-founded

Georeference to develop artificial intelligence applications in geology. In 2017 Minerva purchased Georeference's artificial intelligence software and intellectual property, and appointed Professor Poole as its Chief Software Architect. Professor Poole has published extensively in the fields of artificial intelligence, logic programming and reasoning with uncertainty. He is a co-author of two artificial intelligence textbooks, the second edition of the second book was recently published by Cambridge University Press, and the full text is available online at [www.artint.info](http://www.artint.info).

***Charles Jenkins – CFO and Corporate Secretary***

Mr. Jenkins, BA, CPA, CGA, has broad experience in accounting, banking, securities regulation and corporate finance. He has served as the CFO for a number of Vancouver mining exploration and development companies, most recently Evolving Gold Corporation. He also has experience as the CFO of technology companies and a company in the natural foods industry. Prior to his involvement with public companies he worked in corporate finance with brokerage houses in Vancouver and Calgary.

***Guy Elliott – Director***

Mr. Elliott is founder of F3 Capital Management LLC, an independent alternative asset management and advisory firm. In addition, he was a co-founder and is non-executive Chairman of Minds + Machines Group Limited, an AIM-listed technology company. Mr. Elliott is a former director of GCM Resources Plc, an AIM-listed natural resource company. He has a BSc in Economics from the London School of Economics.

***Alan Mackworth – Director***

Mr. Mackworth is a Professor of Computer Science at the University of British Columbia. He was educated at Toronto (B.A.Sc.), Harvard (A.M.) and Sussex (D.Phil.). He works on constraint-based artificial intelligence with applications in vision, robotics, situated agents, assistive technology and sustainability. He has authored over 130 papers and co-authored two books: *Computational Intelligence: A Logical Approach* (1998); and *Artificial Intelligence: Foundations of Computational Agents* (2010; 2<sup>nd</sup> Ed. 2017). He was the founding Director of the UBC Laboratory for Computational Intelligence and the UBC Centre for AI Decision-making and Action (CAIDA). He has served as the President of International Joint Conferences on Artificial Intelligence Inc. (IJCAI Inc.), the Association for the Advancement of Artificial Intelligence Inc. (AAAI) and the Canadian Association for Artificial Intelligence (CAIAC) managing their executive boards. He is a Fellow of AAAI, CAIAC and the Royal Society of Canada. From 2014 to 2018 he served the non-profit AGE-WELL (Canada's network of aging and technology research) as the Chair of its International Scientific Advisory Committee, as a Director on its Board and as an Executive Committee member, co-managing an annual budget of around \$8M.

**Further Information**

For further information concerning the Company, Minerva, and its business, please refer to the Company's Filing Statement dated March 28, 2019 as filed on SEDAR on April 1, 2019.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Confidentiality is not requested.

**Item 7 Omitted Information**

No information has been omitted in respect of the material change.

**Item 8 Executive Officer**

The following executive officer of the Company is knowledgeable about the material change disclosed in this report.

Clinton Smyth, CEO  
Telephone No.: 604.620.1051

**Item 9 Date of Report**

May 30, 2019