

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

ITEM 1. NAME AND ADDRESS OF ISSUER

BEACN Wizardry & Magic Inc. (the “**Company**” or “**BEACN**”) (formerly, Germinate Capital Ltd.)
#301-3450 Uptown Blvd.,
Victoria, British Columbia,
V8Z 0B9

ITEM 2. DATE OF MATERIAL CHANGE

October 29, 2021

ITEM 3. NEWS RELEASE

The news releases with respect to this matter were issued and disseminated on October 29, 2021 and November 2, 2021 on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) (www.sedar.com).

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced that it successfully completed its previously-announced share exchange transaction (the “**Transaction**”) with Beacon Hill Innovations Ltd. (“**Target**”).

The Transaction constitutes the Company's Qualifying Transaction, as such term is defined by Policy 2.4 - *Capital Pool Companies* of the TSX Venture Exchange (the “**TSXV**”).

Prior to closing of the Transaction, the Company changed its name to “BEACN Wizardry & Magic Inc.” and Target changed its name to “Ponderosa Exploration Ltd.” The new CUSIP number is 07355C109 and the new ISIN number is CA07355C109.

The common shares of the Company (the “**Shares**”) began trading as a Tier 2 technology issuer on the TSXV, under the stock symbol “**BECN**” on November 2, 2021. The Company will now carry on the business of Target as technology issuer.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

Transaction Summary

Pursuant to a definitive share exchange agreement dated September 14, 2021 with Target and the shareholders of Target, the Company acquired all of the issued and outstanding shares of Target in exchange for the issuance to former shareholders of Target of 32,151,003 Shares of the Company (the “**Transaction**”). The Company also issued 3,150,000 stock options (“**Options**”) of the Company to directors, officers,

employees and consultants of the Company, with each Option exercisable to purchase one Share at a price of C\$0.30 until October 29, 2026.

Pursuant to the closing of the Transaction, Target is now a wholly owned subsidiary of the Company.

A total of 8,001,000 Shares ("**Surplus Escrowed Securities**") held by certain principals and other shareholders of the Company will be subject to the TSXV's Tier 2 Surplus escrow requirements, with 5% of the Surplus Escrowed Securities to be released at the date of the Final Exchange Bulletin (the "**Exchange Bulletin**") in respect of the Transaction and listing of the BEACN Shares on the TSXV ("**Listing**"), and 5%, 10%, 10%, 15%, 15% and 40% of the total Surplus Escrowed Securities to be released, respectively, at the 6th, 12th and 18th, 24th, 30th and 36th month anniversaries of the date of the Exchange Bulletin. A total of 5,750,000 Shares ("**Value Escrowed Securities**") held by certain shareholders of the Company will be subject to the TSXV's Tier 2 Value escrow requirements, with 10% of the Value Escrowed Securities to be released at the date of the Exchange Bulletin and 15% of the total Value Escrowed Securities to be released, every 6 months following the date of the Exchange Bulletin. A total of 2,300,000 Shares ("**CPC Escrowed Securities**") held by certain current and former principals of the Company remain subject to the TSXV's Capital Pool Company escrow requirements, with 25% of the CPC Escrowed Securities to be released at the date of the Exchange Bulletin and 25% of the total CPC Escrowed Securities to be released at each of the 6th, 12th and 18th anniversaries of the date of the Exchange Bulletin.

Upon closing of the Transaction, Craig Fraser was appointed as a director and chief executive officer of the Company, Daniel Davies was appointed as a director, president and chief technology officer of the Company and Robert J. Doyle was appointed as the chief financial officer and corporate secretary of the Company. In connection with the Transaction, Alexandre Heath resigned as a director of the Company, Winnie Wong resigned as chief financial officer and corporate secretary and Mark Brown resigned as chief executive officer of the Company but continues to serve as a director.

Conversion of Subscription Receipts

As disclosed in the news release of the Company dated September 23, 2021, the Company completed a non-brokered private placement financing of 5,000,000 subscription receipts (each, a "**Subscription Receipt**") at a price of C\$0.30 per Subscription Receipt for gross proceeds of C\$1,500,000 (the "**Offering**").

The Subscription Receipts automatically converted ("**Conversion**") into 5,000,000 units of BECN (the "**Units**") on October 29, 2021. Each Unit consists of one (1) Share and one-half (1/2) of one common share purchase warrant of BECN (each, a "**Warrant**"), with each whole Warrant exercisable into one (1) Share at a price of C\$0.60 for a period of 24 months from the date of issuance. BECN intends to use the proceeds of the Offering for marketing, research and development and general working capital purposes. The Units and all securities issuable thereunder are

subject to a four-month hold period under applicable Canadian securities laws expiring on January 24, 2022.

At Conversion, the Company also paid to certain arm's length finders an aggregate cash finder's fee in connection with the Offering of \$23,242.52 and 77,475 non-transferrable warrants ("**Finder Warrants**"). Each Finder Warrant is exercisable for one Share ("**Finder Warrant Share**") at an exercise price of C\$0.30 for a period of 24 months from the date of issuance. The Finder Warrants and Finder Warrant Shares are subject to a four-month hold period expiring on March 1, 2022.

Early Warning Reporting

Immediately prior to closing of the Transaction, none of James Elliott, Ken Hallat or David Howard held any Shares of the Company. Upon closing of the Transaction: Mr. Elliott acquired 8,509,334 Shares and 38,500 Warrants representing approximately 19.89% of the issued and outstanding Shares on a non-diluted basis and 16.80% of the issued and outstanding Shares on a fully-diluted basis; Mr. Hallat acquired 5,605,334 Shares and 166,500 Warrants representing approximately 13.10% of the issued and outstanding Shares on a non-diluted basis and 11.34% of the issued and outstanding Shares on a fully-diluted basis; and Mr. Howard acquired 5,605,834 Shares and 166,750 Warrants representing approximately 13.10% of the issued and outstanding Shares on a non-diluted basis and 11.35% of the issued and outstanding Shares on a fully-diluted basis.

Name Change and Filing Statement

In connection with the Transaction, the Company announced that effective October 28, 2021, the Company's name changed from "Germinate Capital Ltd." to "BEACN Wizardry & Magic Inc."

For more information regarding the Transaction, the Offering and the change of the Company's name, please refer to the filing statement of the Company dated October 25, 2021 filed under the Company's previous name of "Germinate Capital Ltd." and available on the Company's SEDAR profile at www.sedar.com.

ITEM 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

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

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ITEM 9. DATE OF REPORT

November 2, 2021

Forward Looking Information

This material change report contains forward-looking information within the meaning of Canadian securities laws. Such information includes, without limitation, information regarding the terms and conditions of the Transaction. Although the Company believes that such information is reasonable, it can give no assurance that such expectations will prove to be correct.

Forward looking information is typically identified by words such as: "believe", "expect", "anticipate", "intend", "estimate", "postulate" and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking information provided by the Company is not a guarantee of future results or performance, and that actual results may differ materially from those in forward looking information as a result of various factors, including, but not limited to: the state of the financial markets for the Company's securities; the state of the natural resources sector; recent market volatility; the COVID-19 pandemic; the Company's ability to raise the necessary capital or to be fully able to implement its business strategies; and other risks and factors that the Company is unaware of at this time. The reader is referred to the Filing Statement for a more complete discussion of applicable risk factors and their potential effects, copies of which may be accessed through the Company's issuer page on SEDAR at www.sedar.com.

The forward-looking statements contained in this material change report are made as of the date of this material change report. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.