

FORM 51-102F3
Material Change Report

1. Name and Address of Company:

Marksmen Energy Inc. (the “**Company**” or “**Marksmen**”)
Suite 500, 400 - 3rd Avenue S.W.
Calgary, Alberta
T2P 4H2

2. Date of Material Change(s):

December 13, 2022

3. News Release:

A news release relating to the material change described herein was released via the facilities of Executive Business Services on December 13, 2022.

4. Summary of Material Change(s):

Marksmen announced that it has entered into an agreement to extend its non-convertible debenture and issue 1,500,000 warrants to the holder of the debenture (the “**Transaction**”), subject to regulatory approval.

5. Full Description of Material Change:

5.1 Full Description of Material Change

Marksmen announced that it has entered into an agreement effective December 12, 2022 with a debenture holder (the “**Holder**”) to extend its non-convertible secured debenture (“**Debenture**”) that expires on December 31, 2022 to now expire on December 31, 2024. In connection with the extension to the expiry date, the Company has agreed to grant an additional 1,500,000 warrants to the Holder to acquire 1,500,000 common shares of the Company for an exercise price of \$0.13 per share expiring December 31, 2024 (the “**Warrants**”). All other terms of the Debenture will remain the same. Completion of the Transaction is subject to regulatory approval, including the approval of the TSX Venture Exchange.

Related Party Participation in the Transaction

The holder of the Debenture is Conex Services Inc. (“**Conex**”). Conex is controlled by Glenn Walsh, an insider of the Company by virtue of owning more than 10% of the outstanding voting securities of the Company. Based on insider trading reports, Mr. Walsh directly and indirectly owns 26,952,167 common shares and 1,875,000 share purchase warrants of the Company, prior to the issue of the Warrants. As an insider of Marksmen holds the Debenture and is being issued the Warrants, the Transaction is deemed to be a “related party transaction” as defined under Multilateral Instrument 61-101-*Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

Neither the Company, nor to the knowledge of the Company after reasonable inquiry, a related party, has knowledge of any material information concerning the Company or its securities that has not been generally disclosed.

Upon the completion of the Transaction, Mr. Walsh will own directly and indirectly 26,952,167 common shares and 3,375,000 share purchase warrants of the Company, and his total percentage ownership of outstanding common shares of the Company will remain at approximately 15.4%.

The Transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsections 5.5(c) and 5.7(1)(b)) as it was a distribution of securities for cash and neither the fair market value of the Units distributed to, nor the consideration received from, interested parties exceeded \$2,500,000. The Transaction was unanimously approved by the board of directors of the Corporation.

The Company did not file a material change report more than 21 days before the expected closing of the Transaction as the agreement with the holder regarding the extension of the Debenture and the issuance of the Warrants was not finalized until December 13, 2022.

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:

John McIntyre, Chief Financial Officer
Marksmen Energy Inc.
(403) 265-7270

9. Date of Report:

December 20, 2022