FORM 51-102F3
Material Change Report

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

Pond Technologies Holdings Inc. (the "**Corporation**")
250 Shields Court, Unit 8
Markham, ON
L3R 9W2

Item 2. **Date of Material Change**

December 10, 2018.

Item 3. **News Release**

On December 11, 2018, a news release in respect of the material change was disseminated on the Corporation's SEDAR profile at www.sedar.com and through the Cision newswire service.

Item 4. **Summary of Material Change**

On December 10, 2018, the Corporation entered into a definitive amalgamation agreement (the "**Amalgamation Agreement**") with Regenurex Health Corporation ("**Regenurex**"), Pond Naturals Inc. ("**Pond Naturals**") and Curtis Braun, as shareholder representative, that provides for the acquisition of Regenurex by the Corporation by way of a three-cornered amalgamation (the "**Amalgamation**") under the provisions of the *Business Corporations Act* (British Columbia) (the "**Transaction**"). Pursuant to the Amalgamation, Regenurex will amalgamate with Pond Naturals, a newly incorporated, wholly-owned subsidiary of the Corporation. As consideration for their Regenurex shares, Regenurex shareholders will receive consideration of an aggregate of up to 6,250,000 common shares in the capital of the Corporation (the "**Pond Shares**"), with such Pond Shares valued at $0.80 per share, or up to $5,000,000 in the aggregate.

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

Item 5.1 **Full Description of Material Change**

On December 10, 2018, the Corporation, Pond Naturals, Regenurex and Curtis Braun, as shareholder representative, entered into the Amalgamation Agreement, which provides for the acquisition of Regenurex by the Corporation. The Transaction is an arm's length transaction and has been structured as a three-cornered amalgamation pursuant to which Regenurex will amalgamate with Pond Naturals (the amalgamated entity, "**Amalco**"), which in turn will continue to conduct Regenurex's operations as an "eligible business corporation" in the Province of British Columbia.

As consideration for their Regenurex shares, Regenurex shareholders will receive up to 6,250,000 Pond Shares with such Pond Shares valued by the parties at $0.80 per share, or $5,000,000 in the aggregate. The below summarizes the manner in which such Pond Shares shall be issued:

- Upon Amalgamation, former holders of the Class A preferred shares of Regenurex will receive senior preferred shares of Amalco. The senior preferred shares will be exchangeable at the election of the holders thereof until August 1, 2022, at which time they will be automatically exchanged, for an aggregate of 2,211,998 Pond Shares, having an aggregate deemed value of $1,769,599.

- Upon Amalgamation, former holders of the common shares of Regenurex will receive junior preferred shares of Amalco. The junior preferred shares will be exchangeable at the election of the holders thereof until August 1, 2022, at which time they will be automatically exchanged, for an aggregate of 4,038,002 Pond Shares (subject to a downward adjustment in the event any undisclosed liabilities of Regenurex over $50,000 are discovered within six months of closing), having an aggregate deemed value of $3,203,401.

In connection with the Transaction, all of the outstanding stock options and warrants of Regenurex will either be cancelled or exchanged for Regenurex common shares (and then subsequently exchanged for junior preferred shares of Amalco pursuant to the Amalgamation).

At closing, the Corporation will capitalize Amalco with not less than $500,000 (less the Corporation's purchase price of certain Astaxanthin pre-orders from Regenurex prior to closing) in order to assist Amalco in pursuing its business objectives.

In connection with closing, the Corporation, Amalco, Dr. Curtis Braun (CEO of Regenurex), as representative of the preferred shareholders of Amalco and the senior and junior preferred shareholders of Amalco will enter into a shareholders' and support agreement pursuant to which, among other things: (a) the senior and junior preferred shareholders of Amalco will agree to subject their Pond Shares to a 12-month contractual lock-up period; (b) until all of the Amalco senior and junior preferred shares are exchanged for Pond Shares, certain material transactions of Amalco will require majority approval of such preferred shareholders; (c) the undisclosed liabilities of Regenurex, if any, will be determined, and (d) the Corporation covenants to issue the Pond Shares upon the exchange of Amalco junior and senior preferred shares and to otherwise support such exchanges.

The Amalgamation Agreement prohibits Regenurex from soliciting competing acquisition proposals, subject to the ability of Regenurex to terminate the Amalgamation Agreement to enter into certain transactions that are financially superior to the Transaction (subject to a "right to match" in favour of the Corporation). A break fee will be payable to the Corporation in the amount of $1,000,000 in the event Regenurex terminates the Amalgamation Agreement to pursue an alternative transaction.

Closing of the Transaction is subject to a number of conditions, including, among others: (a) approval of the Transaction by way of special resolution at a meeting of the Class A preferred and common shareholders of Regenurex, each voting as a separate class, (b) approval of the transaction by the TSX Venture Exchange (the "**TSXV**"), including the listing of the Pond Shares issuable upon exchange of the junior and senior preferred shares of Amalco, (c) less than 5% of the Regenurex shares being held by Regenurex shareholders that have exercised dissent rights in respect of the Amalgamation, and (d) Amalco entering into employment agreements with certain Regenurex employees, including Dr. Curtis Braun.

No broker's commission or finder's fee is payable in connection with the Amalgamation.

Closing of the Transaction is targeted to close as soon as is practicable after all of the conditions to close have been satisfied or waived, and is currently scheduled to close by not later than January 31, 2019.

Item 5.2 **<u>Disclosure for Restructuring Transaction</u>**

Not applicable.

Item 6. **<u>Reliance on subsection 7.1(2) of National Instrument 51-102</u>**

The report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

Item 7. **<u>Omitted Information</u>**

No information has been omitted on the basis that it is confidential information.

Item 8. **Executive Officer**

Steve Martin
President and Chief Executive Officer
(416) 287-3835 ext. 201

Item 9. **Date of Report**

DATED at Markham, Ontario, this 18th day of December, 2018.

Cautionary Statements

This material change report contains forward-looking statements within the meaning of applicable securities laws, including statements regarding the Corporation's anticipated acquisition of Regenurex pursuant to the Amalgamation Agreement, the use of proceeds of the Corporation's investment in Amalco and the expected synergies of the Transaction on the Corporation's and Regenurex's combined business. Such forward-looking statements are based on certain key expectations and assumptions made by the Corporation, including expectations and assumptions concerning approval of the Amalgamation by the shareholders of Regenurex, receipt of TSXV and all other applicable third party consents, and the satisfaction of all other closing conditions in respect of the Transaction. Although the Corporation believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed thereon and the Corporation can give no assurance that they will prove to be correct. By its nature, such forward-looking statements are subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed, including the possible failure of the parties to satisfy the conditions to close the transaction. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. The Corporation does not undertake any obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.