

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

BMGB Capital Corp.
600 – 1090 West Georgia Street
Vancouver, British Columbia, V6E 3V7

2. Date of Material Change

February 22, 2019

3. News Release

The news release announcing the material change was disseminated on February 25, 2019, through Newsfile. The news release was also filed with the British Columbia, Alberta and Ontario Securities Commissions on SEDAR.

4. Summary of Material Change

BMGB Capital Corp. announced that it has entered into a non-binding letter of intent (the LOI) dated February 22, 2019 respecting the proposed acquisition by BMGB of Hot Tomali Communications Inc. (“Hot Tomali”) and Cientis Technologies Inc. (“Cientis”) (the “Transaction”). Under the LOI, BMGB, Hot Tomali and Cientis have agreed to act in good faith to draft, negotiate and execute a definitive acquisition agreement and amalgamation agreement respecting the Transaction. The Transaction is intended to qualify as BMGB’s “Qualifying Transaction” as defined by Policy 2.4 of the TSX Venture Exchange (the “Exchange”).

5.1 Full Description of Material Change

See attached news release.

5.2 Disclosure for Restructuring Transactions

N/A

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

Not applicable.

7. Omitted Information

No information has been intentionally omitted from this material change report.

8. Executive Officer

Lucas Birdsall, CEO
778.549.6714

9. Date of Report

February 25, 2019

BMGB CAPITAL CORP. ANNOUNCES PROPOSED QUALIFYING TRANSACTION WITH HOT TOMALI COMMUNICATIONS INC. AND CIENTIS TECHNOLOGIES INC.

Vancouver, B.C. – February 25, 2019 – BMGB Capital Corp. (“BMGB” or the “Company”) (TSXV: **BMGB.P**) is pleased to announce that it has entered into a non-binding letter of intent (the “LOI”) dated February 22, 2019 respecting the proposed acquisition by BMGB of Hot Tomali Communications Inc. (“Hot Tomali”) and Cientis Technologies Inc. (“Cientis”, and collectively with Hot Tomali, the “Target”) (the “Transaction”). Under the LOI, BMGB, Hot Tomali and Cientis have agreed to act in good faith to draft, negotiate and execute a definitive acquisition agreement and amalgamation agreement (collectively, the “Definitive Agreement”) respecting the Transaction. The Transaction is intended to qualify as BMGB’s “Qualifying Transaction” as defined by Policy 2.4 of the TSX Venture Exchange (the “Exchange”).

Trading of the common shares of BMGB will remain halted in connection with the dissemination of this news release and will recommence at such time as the Exchange may determine, having regard to the completion of certain requirements pursuant to Exchange Policy 2.4. Further details of the proposed Transaction will follow in future news releases.

About Hot Tomali and Cientis

Hot Tomali and Cientis are technology companies based in Vancouver, BC. They operate independently, but they are led by Thomas Stringham as CEO.

Hot Tomali Communications

Hot Tomali Communications Inc. is a full-service integrated communications agency. Hot Tomali was founded by Thomas Stringham (CEO) in Vancouver, BC, in 1998, at the beginning of the dot.com explosion, and has deep roots in digital strategy, website and app development, and creative marketing. Hot Tomali prides itself on being an agency guided by ideas — not mediums. Every project is approached individually to tailor innovative and thought-provoking communications that are specific to their audience.

Hot Tomali has implemented creative and technology solutions for a number of leading brands over the years, including: Electronic Arts; TELUS, 7-Eleven; American College of Physicians; Society of Notaries Public of British Columbia; Purdy’s Chocolates; Covenant House; City of Vancouver; Fraser Health Authority; BC Cancer Agency, BC Centre for Disease Control; Tiger Woods Foundation; Sage Software; Big White Ski Resort; Sphero; and, Government of British Columbia.

The agency has won numerous awards internationally, including Cannes Lions, London International, Advertising & Design Club of Canada, The Bessies, Applied Arts, Marketing Awards, Lotus Awards, and many more. Hot Tomali was also the winner of Ad Age’s International Small Agency of the Year award - the first Canadian agency to do so.

Over the years Hot Tomali has taken full or partial equity in several digital platforms, apps and online communities that it has built. Hot Tomali continues to nurture and grow these platforms in an effort to bring more value to their clients and shareholders. Products wholly owned by Hot Tomali include:

Learning Management System

Hot Tomali developed a large, multi-platform LMS (learning management system) which has served as a B2B (business-to-business) retail training platform for many great brands, including Electronic Arts, Razer, and Sphero.

The platform provides a direct communication channel between brands and front-line sales staff at third party retailers. This method of delivering training is ideal as it ensures that your message is delivered entirely on-script. Traditionally, PK (product knowledge) is delivered to retail sales employees via sales reps visiting stores, doing presentations and from collateral materials. Unfortunately, this method is expensive and the ability for staff to retain volumes of knowledge from these sessions is also limited.

Training is so much more than just talking at people. It requires interaction, and users should provide evidence of knowledge retention when they finish a module. Hot Tomali's platform has courseware that tests users' knowledge retention with a high level of confidence. Quizzes are timed, and quiz banks are used to randomize questions ensuring that users aren't using cheat sheets or Google to respond to questions. They are required to memorize the information so that when a customer asks them a relevant question they can quickly, and accurately respond.

This platform is a proven success and has been implemented in over 4,900 store locations (including 1,100+ Best Buy locations) and has served more than a quarter million training sessions. A survey of Best Buy employees indicated that they had received ROI as high as 3,000% on their training investment; 99% of users recommended the platform to their colleagues; and 81% of sales associates said the platform helped them sell more products.

Real Estate Platform

The entire real estate system is due for disruption. Other heavily regulated industries such as banking, insurance and transportation have all figured out how to meet consumers online needs, and this realty app/website (name yet to be announced) is expected to set a new bar in the online real estate industry. This platform will provide enhanced data that is actually useful to consumers, like: advanced demographics; school ratings; local amenities; crime data; projected cap rates; municipal restrictions (e.g. AirBnB); zoning information; average renovation costs in area, and more.

On the B2B side Hot Tomali is building a marketplace of certified real estate agents, mortgage brokers, insurance agents, bank representatives, contractors, and more along with transparent ratings and feedback to be provided by consumers on each service provider. Real estate agents will have a client portal allowing them to interact with and manage their clients needs easily. Service providers, including realtors, will also have the option to purchase qualified leads for a fee and/or commission.

The average realtor currently spends approximately 85% of their time looking for new clients/listings and only 15% of their time actually selling properties. This is driven by a surge in the number of licensed realtors on the market, and ever-increasing competition. Hot Tomali's platform will allow realtors to focus on helping their clients through the listing, negotiation and closing processes, while minimizing their need to spend so much time hunting for new clients.

Hybrid App & Website Development Libraries

As more and more organizations become dependent on the use of mobile apps, there is an increasing burden to build and maintain separate code bases for iOS and Android devices. This challenge is even more apparent for businesses that want to have a continuous user experience across their apps and their website (e.g. Facebook, Twitter, Netflix, etc.). Traditionally, apps are custom made for each platform using a native language, like Swift for iOS. The problem here is that none of the libraries or code used to build one app can be repurposed for other apps or websites. This leads to huge headaches when trying to maintain the same functionality across multiple platforms and generally it requires at least three times the resources and expenses.

Over the last couple of years Hot Tomali has been using React hybrid development and custom APIs for organizations like Lundin Group of Companies and Pooch, a start-up aimed at bringing together dog owners

with other dog owners as well as dog-friendly events, locations and businesses. One of Hot Tomali's goals as an organization was to develop a set of reusable libraries that can streamline hybrid development allowing them to build iOS and Android apps and a corresponding website on a single code base. To date, libraries built and deployed include core functionality that allows rapid application development (RAD) of user management and roles, page editors, mapping functions, reviews and ratings, real time chat and group chats, check-ins, favourites, contact forms, events, activity feeds, and much more. Using these libraries Hot Tomali can essentially build three different products for a fraction of the current cost. In fact, Hot Tomali is already using these libraries to develop the next generation of their training and real estate platforms.

React was created by Jordan Walke, a software engineer at Facebook. He was influenced by XHP, an HTML component framework for PHP. It was first deployed on Facebook's newsfeed in 2011 and later on Instagram.com in 2012. Other popular sites using React include: Airbnb, Asana, New York Times, Yahoo Mail, Dropbox, and Netflix.

Health Alerts App

Health Alerts app is the first tool that provides real-time push notifications and updates regarding outbreaks and incidents on public health emergency topics, such as: contagious infections, diseases, natural disasters, drug recalls, travel medicine, etc.

Health Alerts pulls information directly from live feeds provided by the world's most trusted sources for public health information, including:

- Centers for Disease Control and Prevention (CDC)
- World Health Organization (WHO)
- US Food and Drug Administration (FDA)
- US Department of Health and Human Services (HHS)
- Public Health Agency of Canada (PHAC)
- HealthLinkBC
- New York Times Health
- British Broadcasting Corporation (BBC)
- Cable News Network (CNN)
- National Post

Cientis Technologies

Cientis Technologies is an international developer of web-based tools to assist clinicians and their medical practice teams in the selection, adoption, and use of healthcare technologies. Cientis' platform helps clinicians improve care and enhance efficiency through education on the effective use of health information technology.

Cientis owns and operates AmericanEHR and CanadianEMR. These online communities have over 30,000 verified members and provide physicians, state and federal agencies, vendors, and funding organizations across the United States and Canada with the necessary tools to identify, implement, and effectively use Electronic Health Records (EHRs) and other healthcare technologies such as clinical mobile apps. In the US AmericanEHR has 27,300+ members, across 52 states and jurisdictions that represent 162 medical specialties. AmericanEHR has partnerships with 24 Medical Societies representing over 75% of the licensed physician market in the United States. These associations hold seats on The AmericanEHR Society Advisory and help to provide governance as they vet new features and business models.

Cientis has also developed numerous digital platforms including ACP's Practice Advisor, ACP's Quality Payment Advisor and the ACP Immunization Advisor.

The Transaction

The Transaction is expected to proceed by way of a “four-cornered amalgamation” under which a wholly-owned subsidiary of BMGB will amalgamate with each of Hot Tomali and Cientis pursuant to the *Business Corporations Act* (British Columbia). Under the Transaction, shareholders of Hot Tomali and Cientis will receive an aggregate of 16,000,000 common shares of BMGB at a deemed price of \$0.30 per share, representing aggregate consideration of \$4,800,000 for their Hot Tomali and Cientis shares. The Transaction is subject to completion of certain conditions precedent, including without limitation: execution of the Definitive Agreement; the preparation and filing of a Filing Statement with the Exchange; completion by BMGB of a private placement (the “Private Placement”) for gross proceeds of no less than \$1,500,000; completion of satisfactory mutual due diligence; receipt of required shareholder approvals; and receipt of all necessary regulatory and Exchange approvals.

Under the Private Placement, BMGB will raise gross proceeds of no less than \$1,500,000 through the issuance of units (each, a “Unit”) at a price of \$0.30 per Unit, with each Unit comprised of one common share and one-half of a common share purchase warrant. Each whole warrant will be exercisable for a BMGB common share at an exercise price of \$0.45 for two years from the date of issuance.

In conjunction with the closing of the Transaction, BMGB will change its name to “Hot Tomali Communications Inc.”, or such similar name as is agreed to by the parties (the “Resulting Issuer”). On closing of the Transaction, and assuming that BMGB raises \$1,500,000 under the Private Placement at a price of \$0.30 per Unit, the Resulting Issuer will have 25,500,000 common shares issued and outstanding. The current shareholders of BMGB would hold approximately 17.65% of the shares of the Resulting Issuer, participants in the Private Placement would hold approximately 19.61% of the shares of the Resulting Issuer, and the current shareholders of the Target would hold approximately 62.75% of the shares of the Resulting Issuer.

The Transaction will not constitute a “Non-Arm’s Length Qualifying Transaction” (as such term is defined by the Exchange). In addition, the Transaction is not a “related party transaction” as such term is defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and is not subject to Policy 5.9 of the Exchange. As a result, no meeting of the shareholders of BMGB is required pursuant to Policy 2.4 of the Exchange or applicable securities laws.

Sponsorship of a Qualifying Transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies. BMGB intends to apply for an exemption from the sponsorship requirements under subsection 3.4(a)(ii) of Exchange Policy 2.2; however, there is no assurance that BMGB will receive this exemption.

The LOI provides that, following execution of the LOI, BMGB and the Target will in good faith negotiate, draft and execute a loan agreement (the “Loan Agreement”) under which BMGB will make a loan to the Target under the following terms: BMGB will make a loan of up to \$80,000 to the Target to be used by the Target to pay expenses related to the Transaction; the loan will be secured against all of the assets of each of Hot Tomali and Cientis; the loan will bear interest at 6% per annum; and the loan will be repayable on or before the earlier of: (a) December 31, 2019; and (b) the date which is 30 days after the date on which this LOI is terminated for any reason other than the execution of the Definitive Agreement. The loan and the Loan Agreement will be subject to Exchange approval.

The Resulting Issuer

In conjunction with the closing of the Transaction, BMGB will change its name to “Hot Tomali Communications Inc.”, or such similar name as is agreed to by the parties. The Resulting Issuer will be an Industrial/Technology/Life Sciences issuer under the policies of the Exchange.

Concurrent with the completion of the Transaction, all directors and officers of BMGB will resign and be replaced by nominees put forth by the Target having the requisite experience to manage the Resulting Issuer. The following individuals are expected to be among those persons appointed as new directors and/or officers of the Resulting Issuer pursuant to the Transaction:

Thomas Stringham – CEO and Director

Thomas Stringham is a digital agency founder with 20+ years of experience. After an internship at BBDO Canada he started as an art director and evolved to learn all aspects of the business on his way to becoming an award-winning creative director and CEO. Stringham has lead campaigns and projects covering app development, web design, advertising, graphic design, social media, branding, creative writing, film production, etc. He's fluent in all aspects of business management, including: team and culture building, business development, financials, HR, legal, and operations management. In 2010 Hot Tomali won Ad Age's International Small Agency of the Year and was runner up in the 1-10 employees category under his leadership. His creative work has been recognized by Cannes Lions, London International, Applied Arts, Marketing Awards, Lotus Awards, Advertising & Design Club of Canada, Media Innovation Awards, Canadian eTourism Awards, eWorld Awards, Graphis, and more. In terms of personal accolades, Marketing Magazine has named Stringham to their One's to Watch list, Health 2.0 listed him on their 10-Year Global Retrospective Awards – Top 25 Industry Leaders and CIPS presented him with their BC Innovators in IT "Rising Star" Award. He's also had his work used as a case study on effective advertising in the Stanford University MBA Program.

Robert Meister – Director

Mr. Meister is an experienced Capital Markets Executive that holds a diploma in Marketing Management from the British Columbia Institute of Technology. Mr. Meister is currently CEO of Auralite Investments Inc. (TSX.V: AAAA) and Director of Moovly Media Inc. (TSX.V: MVY), a leading provider of creative cloud-based tools to tell marketing, communications and training stories using videos and presentations. Prior to this, Mr. Meister was a director and capital markets manager for NetCents Technology Inc., an electronic on-line payment service provider that is listed on the Canadian Securities Exchange.

About BMGB

BMGB is a capital pool company in accordance with Exchange Policy 2.4 and its principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

For additional information, please refer to the Company's disclosure record on SEDAR (www.sedar.com) or contact the Company as follows: Lucas Birdsall, CEO, at (778) 549-6714 or lucasbirdsall@gmail.com.

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Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Certain statements contained in this press release constitute “forward-looking information” as such term is defined in applicable Canadian securities legislation. The words “may”, “would”, “could”, “should”, “potential”, “will”, “seek”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions as they relate to BMGB and Target, including, the completion of the Private Placement and the Qualifying Transaction, are intended to identify forward-looking information. All statements other than statements of historical fact may be forward-looking information. Such statements reflect the companies’ current views and intentions with respect to future events, and current information available to them, and are subject to certain risks, uncertainties and assumptions, including, without limitation: the results of the business of the Target; the estimation of capital requirements; the estimation of labour and operating costs; the timing and amount of future business expenditures; and the availability of necessary financing. Many factors could cause the actual results, performance or achievements that may be expressed or implied by such forward-looking information to vary from those described herein should one or more of these risks or uncertainties materialize. Such factors include but are not limited to: changes in economic conditions or financial markets; increases in costs; litigation; legislative, environmental and other judicial, regulatory, political and competitive developments; and technological or operational difficulties. This list is not exhaustive of the factors that may affect forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. Should any factor affect the companies in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, the companies do not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release and the companies undertake no obligation to publicly update or revise any forward-looking information, other than as required by applicable law.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described in this news release in the United States. Such securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws, and, accordingly, may not be offered or sold within the United States, or to or for the account or benefit of persons in the United States or “U.S. Persons”, as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

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