

**FORM 51-102F3**  
**Material Change Report**

**1. Name and Address of Corporation:**

Winston Capital Group Inc. (the "**Corporation**")  
1600, 333-7<sup>th</sup> Ave SW  
Calgary, Alberta  
T2P 2Z1

**2. Date of Material Change(s):**

December 9, 2020

**3. News Release:**

A news release relating to the material changes described herein was released on December 9, 2020 through the facilities of Newsfile Corp.

**4. Summary of Material Change(s):**

The Corporation entered into a definitive agreement dated December 9, 2020 (the "**Business Combination Agreement**") with Merida Minerals Inc. ("**Merida**"), as previously announced on May 11, 2020.

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

**5.1 Full Description of Material Change**

The Corporation entered into the Business Combination Agreement with Merida, as previously announced on May 11, 2020. Pursuant to the Business Combination Agreement, Winston's wholly owned subsidiary, 2797200 Ontario Inc. ("**Subco**"), will amalgamate with Merida (the "**Amalgamation**") to complete the qualifying transaction (the "**Transaction**") in accordance with the policies of the Exchange. Upon completion of the Amalgamation, the resulting issuer will be known as "Merida Minerals Inc." (the "**Resulting Issuer**") and the Resulting Issuer will continue the business of Merida. The Transaction is subject to the receipt of all necessary regulatory approvals and shareholder approvals required by applicable corporate law, including the approval of the shareholders of Merida, as well as the satisfaction of conditions to closing as set out in the Business Combination Agreement.

***About Merida***

Merida, a private company formed pursuant to the laws of the Province of Ontario, is a mineral exploration company focused on developing the long-term mining potential of the Zn-Cu-Pb enriched Puebla de la Reina ("**PBR**") property in the low-risk and historic mining district in Southwest Spain. The property, in Extremadura, Spain, covers an area of 90km<sup>2</sup>. Merida, through its wholly owned Spanish subsidiary, La Joya Minerals S.L.U. has entered into a joint venture agreement with Auplata S.A. and Amaiur Recursos Minerales, SL of Spain to acquire up to 100% interest in the property. The management of Merida contains industry veterans who have more than 80 years of mineral exploration and production experience in multiple jurisdictions and have successfully managed multiple international mining companies. With support from the local

government and sophisticated mining infrastructures, Merida will initiate a series of development and exploration work on the historical sites.

Merida has 44,676,825 common shares ("**Merida Shares**") issued and outstanding. Additionally, Merida has 3,950,000 options to purchase Merida Shares ("**Options**"), 1,589,925 Merida Share purchase warrants ("**Warrants**") and 70,000 broker's Warrants, issued and outstanding.

***Terms of the Proposed Qualifying Transaction***

Pursuant to the terms of the Business Combination Agreement, at the effective time of the Amalgamation, Merida will amalgamate with Subco to form an amalgamated entity ("**Amalco**"), which will continue as a wholly owned subsidiary of Winston. In connection with the completion of the Amalgamation, each holder of Merida Shares shall exchange their Merida Shares for common shares in the capital of the Resulting Issuer ("**Resulting Issuer Common Shares**") on the basis of one (1) fully paid and non-assessable Resulting Issuer Common Share for every one Merida Share held, for a deemed price of \$0.10 per Merida Share.

Immediately after the completion of the Transaction but prior to the Private Placement (as hereinafter defined), the current shareholders of Winston will own approximately 7,500,000 Resulting Issuer Common Shares (14.4%) and the holders of Merida Shares existing immediately prior to the Transaction will own following the Transaction approximately 44,676,825 Resulting Issuer Common Shares (85.6%).

Winston intends to hold an annual and special meeting of its shareholders in February 2021 to approve certain matters related to the Transaction, including:

- the appointment of MNP LLP as the auditor and the authorization of the board of directors of Winston to fix the remuneration thereof;
- fixing the number of directors to be elected at four (4);
- electing directors of Winston for the ensuing year;
- a change in the name of Winston from "Winston Capital Group Inc." to "Merida Minerals Inc." or such other name as the board of directors of Winston deems appropriate;
- a new Winston stock option plan; and
- a continuance of Winston from a corporation incorporated under the laws of the Province of Alberta to a corporation continued under the laws of the Province of Ontario.

Additional details regarding the annual and special meeting of the shareholders of Winston will be available in a management information circular that is expected to be delivered to shareholders of Winston. The Amalgamation will be approved by the sole shareholder of Subco and by the shareholders of Merida, each by way of a resolution.

The completion of the Amalgamation is conditional on obtaining all necessary regulatory and shareholder approvals in connection with the matters described above and other conditions customary for a transaction of this type. The Business Combination Agreement will be made available on SEDAR at [www.sedar.com](http://www.sedar.com). Winston and Merida anticipate closing the Transaction in mid to late February 2021.

Note that all of the foregoing figures in this press release have been calculated based on the following assumptions: (i) 4,616,840 Merida Shares are issued pursuant to the Private Placement; (ii) the Private Placement closes in February 2021; and (iii) the Transaction closes in February 2021. If these assumptions differ from the foregoing, the number of Resulting Issuer Common Shares held by shareholders of Merida will differ.

### *Summary Financial Information of Merida*

Based on the audited annual financial statements for Merida for the year ended June 30, 2020:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$32,671	\$29,010
<b>Non-Current Assets</b>		
Exploration and evaluation assets	\$148,666	-
<b>Expenses</b>		
General and Corporate	\$753,903	\$147,771
Property Investigation		\$106,195
Share-based payments	\$44,052	\$7,148
	(\$797,955)	(\$261,114)
<b>Other Items</b>		
Gain on settlement of accounts payable	-	\$33,000
Net Loss and comprehensive loss	(\$797,955)	(\$228,114)
Loss per share, basic and diluted		(\$0.04)

### *Merida – Share Capitalization and Funds Available*

Upon completion of the Transaction and assuming the Private Placement (further details below) is completed for aggregate gross proceeds of C\$692,526, it is anticipated that there will be an aggregate of 56,793,665 Merida Shares issued and outstanding.

The funds to be available to the Resulting Issuer upon the closing of the Transaction are expected to be a minimum of C\$1,050,000 (assuming the Private Placement is completed for aggregate gross proceeds of C\$692,526), less costs of the Transaction and the Private Placement. These funds are anticipated to be used towards exploration and development of the PBR Project and the various costs required to complete the Transaction.

### *Private Placement*

Prior to or in conjunction with the completion of the Qualifying Transaction, Merida is expected to complete a non-brokered private placement of a minimum of 4,616,840 Merida Common Shares at a price of \$0.15 per Merida Common Share (the "**Offering Price**") for aggregate gross proceeds to Merida of not less than \$692,526 (the "**Private Placement**").

In connection with the Private Placement, Merida, in its discretion, may pay a cash commission of up to 7% of the gross proceeds from the sale of Merida Common Shares and issue such number of broker warrants ("**Merida Broker Warrants**") that is equal to up to 7% of the number of Merida Common Shares sold pursuant to the Private Placement. Each Merida Broker Warrant will entitle the holder to one (1) Merida Common Share and is exercisable at a price of \$0.15 per Merida Common Share for a period of 24 months from the date of issuance, subject to the requirements of the TSXV.

It is intended that the net proceeds from the Private Placement will be used for the exploration and development of the PBR Project and general working capital following completion of the Qualifying Transaction.

### ***Sponsorship***

Under the policies of the Exchange, the parties to the Transaction will be required to engage a sponsor for the Transaction unless an exemption or waiver from this requirement can be obtained. Winston intends to apply to the Exchange for a waiver from the sponsorship requirements for the Qualifying Transaction based upon the waivers available in Exchange policies. There is no assurance that a waiver from this requirement can or will be obtained.

### ***Resulting Issuer***

Immediately following the completion of the Transaction, the Resulting Issuer is expected to change its name to "Merida Minerals Inc.", and the Resulting Issuer will be a Mining issuer under the policies of the Exchange.

### ***Proposed Management and Board of Directors of Resulting Issuer***

Concurrent with the completion of the Transaction, it is expected that all directors and officers of Winston will resign and the directors and officers of the Resulting Issuer will be as follows:

Norman Brewster - Chief Executive Officer, President, Director, Chairman of the Board and Corporate Secretary

Mr. Brewster has been involved in mining internationally for more than 40 years serving in management roles and on many public and private company boards over his career in the mineral industry. Norman was the Executive Chariman, and interim President of Iberian Minerals Corp., successfully financing, developing and putting into production the AguasTenidas Mine in Andalucia, Spain. During his tenure, Mr. Brewster led negotiations for the purchase of the Condestable Mine in Peru by Iberian Minerals Corp., and led a committee in reviewing the successful bid by Trafigura Group Pte. Ltd. to acquire Iberian Minerals Corp. Mr. Brewster also sat on a committee, as a Director of Spider Resources Inc., which reviewed the successful all cash acquisition of Spider Resources Inc., by Cliffs Natural Resources Inc. Currently Mr. Brewster is the President, Director and CEO of Cadillac Ventures Inc., with development projects in Ontario (copper) and New Brunswick (tungsten). Mr. Brewster holds Bachelor of Science and Education Degrees from Acadia University and was approved as a Member of the Association of Geoscientists of Ontario.

Kyle Appleby, CA - Chief Financial Officer

Mr. Appleby is a seasoned CFO, with management and board experience working at multiple companies over the past 18 years. Currently, Kyle is the CFO of Renforth Resources; DigiMax and Spaceify which all benefit from Kyle's accounting expertise. He has also served on the boards of several companies, including URU Metals and Captor Capital among others. Kyle has a Master's Degree from Southern Federal University and earned his Chartered Accountant Designation in 2001. Since that time has worked both the audit and the issuer side of the business, concentrating on providing contract CFO services to a number of reporting issuers and private companies, active in the resource, agritech, technology and cannabis spaces with experience in take-overs and amalgamations.

Eduardo Olarte, JD - Director

Mr. Olarte has been working as an international lawyer focusing on business and corporate law. He has a law degree from the University of Barcelona, and a master's degree in international & Comparative Business Law from London Metropolitan University. His practice focuses on business law with specific expertise on the inter-jurisdictional transaction in the mining and energy sector, and has been advising companies worldwide, including the UK, Canada, and Australia. He has experience in drafting title and corporate legal opinion for companies to comply with stock exchanges in London, Toronto, and Sydney in raising funds for Spanish exploration and other mining operations.

Rahim Allani - Director

Mr. Allani has been involved in Canadian and international capital markets for 20 years. He is now a Managing Director at OCI Inc, a global corporate finance advisory firm focuses on cross-border mergers & acquisitions, corporate finance, and go public work. He has extensive experience in working with Canadian and international mining companies financing and going public on exchanges in North America and Asia; and sits on boards and advisory boards for companies in several countries. He holds a MBA degree from the DeGroote School of Business at McMaster University and a BA(Hons) from the University of Toronto.

Patrick Burns - Director

Mr. Burns has over 40 years of experience in the mining sector throughout the Caribbean, Central and South America. Mr. Burns was directly involved in the discovery of Escondida, the world's largest copper deposit located in Chile, and also multiple copper and gold projects in Chile and Canada. Mr. Burns has been involved in publicly traded mining companies for 35 years and is an experienced board member as well as previously founding his own junior resource company. He is currently a consultant to several groups working primarily in Chile and Peru, where he has several of his own projects under option to third parties and also provides properties of merit for international junior resource companies. He holds a B.Sc. (Hons Geology) from the University of British Columbia, is fluent in Spanish and currently resides in Argentina.

Miguel Cabal, Eurogeol - Director

Miguel Cabal is a Eurogeologist with more than 20 years of experience in the mining sector. Born and raised in mining environments, he works as a consultant and advisor to national and international mining companies where he works in mining project management, geology and geotechnics, direction of environmental impact studies, environmental authorizations and natural resources. He is President of the Scientific Committee of Metallic Mining Hall in its first two editions (2015 and 2017 – the Spanish equivalent of the PDAC event held in Toronto annually). He is also a Member of the Editor Committee of the Rocks and Minerals Magazine of Fuego Editores. Lastly, he has also worked as an advisor for construction companies such as Ferrovial Agromán and Acciona.

***Arm's Length Transaction***

The Transaction was negotiated by parties who are dealing at arm's length with each other and therefore, the Transaction is not a Non-Arm's Length Qualifying Transaction in accordance with the policies of the Exchange.

***Finder's Fees***

No finder's fees are payable in connection with the closing of the Transaction.

***Filing Statement***

In connection with the Transaction and pursuant to Exchange requirements, Winston will file a filing statement on SEDAR ([www.sedar.com](http://www.sedar.com)), which will contain details regarding the Transaction, the business combination, the Private Placement, Winston, Merida and the Resulting Issuer.

It is intended that the Transaction, when completed, will constitute the Corporation's "Qualifying Transaction" in accordance with Policy 2.4 of the Exchange. Completion of the proposed Qualifying Transaction is subject to a number of conditions precedent, including, but not limited to, (i) acceptance by the Exchange and receipt of other applicable regulatory approvals; and (ii) completion of the Private Placement. There can be no assurance that the Qualifying Transaction will be completed as proposed or at all.

Shareholder approval is not required with respect to the Transaction under the rules of the Exchange. In the event any of the conditions set forth above are not completed or the Transaction does not proceed, the Corporation will notify shareholders. Trading in the common shares of the Corporation will remain halted and is not expected to resume trading until the Transaction is completed or until the Exchange receives the requisite documentation to resume trading.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

**ANY SECURITIES REFERRED TO HEREIN WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "1933 ACT") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO A U.S. PERSON IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT.**

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAW.**

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. The Exchange has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the content of this press release.*

*The information contained or referred to in this press release relating to Merida has been furnished by Merida. Although Winston has no knowledge that would indicate that any statement contained herein concerning Merida is untrue or incomplete, neither Winston nor any of its respective directors or officers assumes any responsibility for the accuracy or completeness of such information.*

*Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance, receipt of requisite regulatory approvals, completion of the Private Placement and if applicable pursuant to Exchange requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required*

*shareholder approvals, and any ancillary matters thereto, are 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.*

*This forward-looking information in respect of Winston and Merida reflects Merida's or Winston's, as the case may be, current beliefs and is based on information currently available to Winston and Merida, respectively, and on assumptions Winston and Merida, as the case may be, believes are reasonable. These assumptions include, but are not limited to, management's assumptions about the Exchange approval for the Transaction, closing of the Private Placement, closing of the business combination announced above and Merida's assumptions regarding its business objectives.*

### **Forward-Looking Information Cautionary Statement**

This release includes forward-looking statements regarding Winston, Subco, Amalco, Merida, the Resulting Issuer and their respective businesses, which may include, but is not limited to, statements with respect to the completion of the Transaction and the Private Placement, the terms and timing on which the Transaction and the Private Placement are intended to be completed, the use of the net proceeds from the Private Placements, the ability to obtain regulatory and shareholder approvals, the proposed business plan of the Resulting Issuer and other factors. Often, but not always, Forward-looking statements can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes", "estimates" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such statements are based on the current expectations of the management of each entity. The forward-looking events and circumstances discussed in this release, including completion of the Transaction and the Private Placement, may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including the risk that Merida and Winston may not obtain all requisite approvals for the Transaction, including the approval of the Exchange for the Transaction (which may be conditional upon amendments to the terms of the Transaction), risks of the resource industry, failure to obtain regulatory or shareholder approvals, economic factors, any estimated amounts, timing of the Private Placement, the equity markets generally and risks associated with growth, exploration and development. Although Winston and Merida have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Winston and Merida undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

***Neither 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.***

**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:**

Bruce Bent  
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**9. Date of Report:**

December 18, 2020