

## Form 51-102F3

### *Material Change Report*

#### **Item 1: Name and Address of Company**

Lions Bay Capital Inc. (“Lions Bay” or the “Company”)  
Rear Ground Floor, 585 Burwood Road  
Hawthorn, Victoria  
3122 Australia

#### **Item 2 Date of Material Change**

November 14, 2017.

#### **Item 3 News Release**

A news release with was disseminated on November 14, 2017, by way of Stockwatch and Market News Publishing Inc.

#### **Item 4 Summary of Material Change**

Lions Bay, a capital pool company under the policies of the TSX Venture Exchange, completed the acquisition (the “Acquisition”) of all of the issued and outstanding shares and share purchase warrants of Pan Andean Capital Pty Ltd. (“Pan Andean”), which Acquisition served as Lions Bay’s Qualifying Transaction under the policies of the Exchange. Pan Andean is now a wholly-owned subsidiary of Lions Bay.

Concurrent with completion of the Acquisition, Lions Bay completed a non-brokered private placement offering for gross proceeds of \$917,000 having issued an aggregate 18,340,000 common shares at a per share price of \$0.05.

In conjunction with completion of the Acquisition, Richard D. Wilson, a director of Lions Bay and its CEO, CFO and Corporate Secretary since incorporation, and David Turner, a director of Lions Bay since incorporation, have resigned and John Byrne and John Newton have been appointed as directors of Lions Bay. John Byrne has been appointed as President and Chief Executive Officer of Lions Bay and Keshwaran Thurairasa has been appointed as Chief Financial Officer and Corporate Secretary.

Under applicable securities legislation and the policies of the Exchange, issuance of certain of the securities under the Acquisition to John Byrne and his associates and/or affiliates results in Mr. Bryne becoming a Control Person of Lions Bay, which was approved by a majority of Lions Bay’s disinterested shareholders by written consent.

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

### **5.1 Full Description of Material Change**

Lions Bay, a capital pool company under the policies of the TSX Venture Exchange (the “Exchange”), completed the acquisition (the “Acquisition”) of all of the issued and outstanding shares and share purchase warrants of Pan Andean Capital Pty Ltd. (“Pan Andean”), which Acquisition served as Lions Bay’s Qualifying Transaction under the policies of the Exchange. In connection with the Acquisition, Lions Bay issued an aggregate 61,747,571 common shares (the “Payment Shares”) at the deemed per share price of \$0.05 and share purchase warrants entitling the purchase of an aggregate 10,000,000 common shares in the capital of Lions Bay at a per share price of \$0.05 until February 1, 2020. As a result of the Acquisition, Pan Andean is a wholly-owned subsidiary of Lions Bay, Lions Bay is a Tier 2 investment issuer under the policies of the Exchange and its common shares will commence trading on the Exchange under symbol ‘LBI’ on Thursday, November 16, 2017.

In conjunction with completion of the Acquisition, Richard D. Wilson, a director of Lions Bay and its CEO, CFO and Corporate Secretary since incorporation, and David Turner, a director of Lions Bay since incorporation, have resigned and John Byrne and John Newton have been appointed as directors of Lions Bay. John Byrne has been appointed as President and Chief Executive Officer of Lions Bay and Keshwaran Thurairasa has been appointed as Chief Financial Officer and Corporate Secretary.

Under applicable securities legislation and the policies of the Exchange, issuance of certain of the securities under the Acquisition to John Byrne and his associates and/or affiliates results in Mr. Bryne becoming a Control Person of Lions Bay, which was approved by a majority of Lions Bay’s disinterested shareholders by written consent.

Concurrent with completion of the Acquisition, Lions Bay completed a non-brokered private placement offering (the “Financing”) for gross proceeds of \$917,000 having issued an aggregate 18,340,000 common shares at a per share price of \$0.05.

The securities issued pursuant to the Acquisition are subject to escrow restrictions in accordance with the policies of the Exchange; and in accordance with applicable securities legislation and Exchange policy, all common shares issued under the Acquisition and the Financing, and the common shares underlying the share purchase warrants issued under the Acquisition, are subject to a hold period until March 15, 2018.

In conjunction with the Acquisition, the Investment Policy of Pan Andean, which is attached to this Report, has been revised to provide that, to the extent that the Company invests in issuers that have common directors with the Company or are otherwise related to the Company, such interest(s) will be disclosed in writing by the relevant parties, such related parties will abstain from voting on such investment if required under applicable corporate law, and such investment(s) will be approved by an independent committee of directors of the Company.

The Acquisition and Financing were announced by Lions Bay by news releases dated February 15, 2017, March 9, 2017, September 29, 2017 and November 14, 2017, and further details of which are included in the Company’s Filing Statement dated September 28, 2017, which has

been filed with regulators and is available for viewing on the SEDAR website ([www.sedar.com](http://www.sedar.com)) under Lions Bay's issuer profile.

## **5.2 Disclosure for Restructuring Transactions**

Further detail with respect to the Acquisition is included in Lions Bay's Filing Statement dated and filed with regulators on September 28, 2017, available for viewing on the SEDAR website ([www.sedar.com](http://www.sedar.com)) under Lions Bay's issuer profile.

### **Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

### **Item 7 Omitted Information**

Not applicable.

### **Item 8 Executive Officer who is knowledgeable about the material change and this Report**

J. Ross MacLachlan, Director

Business Telephone: (604) 341-5740.

### **Item 9 Date of Report**

November 14, 2017.

**PAN ANDEAN Capital Pty Ltd.**  
(the “Company”)

**INVESTMENT POLICY**

**Investment Objectives**

The Company’s investment objectives are to seek:

- An above average return on investment, primarily in the resource, energy and resource related technology sectors.
- To use investment income to fund other investments opportunities with attractive risk-to-reward profile.

The Company does not anticipate the declaration of dividends to shareholders during its initial stages and plans to reinvest the profits of its investments to further the growth and development of the Company’s investment portfolio.

**Investment Strategy**

The Company’s strategy is to adopt a flexible approach to its investments. This approach is demonstrated in the Company’s proposed investment strategy set out below.

Investment Sector:	Resource, energy and resource related technology sectors. All commodities that can be classified as resources may be considered for investment purposes, including, but not limited to, minerals, metals, petroleum, forestry and industries that derive their value from natural resources, such as power generation, and technologies that are used in the natural resources sector such as drilling and surveillance. The Company may invest outside the resource and energy industry as the circumstances may warrant.
Investment Types:	Equity, debt, royalties, income and commodity streams, derivatives and any other investment structures or instruments that could be acquired or created.
Jurisdictions:	Global but with a focus on jurisdictions with a stable rule of law
Investment Size:	The Company will hold stakes of no more than 19.9% investment in any one issuer in most instances.
Timeline:	The objective is to hold investments for long periods of time. However, circumstances may cause the Company to reconsider its investment time horizon. In addition, certain investments will be short term in nature.

Investment Targets:	<p>Direct project investments either through direct equity in a project, or through a derivative interest such as a royalty, stream or other derivative facility.</p> <p>Investments in public or private corporations, partnership or other legal entities which own, or propose to own, natural resource assets or derivatives of natural resource assets.</p> <p>The Company intends to limit its investments in non-publicly traded companies to 25% of its overall portfolio.</p>
Investment Review:	Will seek to maintain the ability to actively review and revisit all of investments on an ongoing basis.
Liquidity:	Will evaluate the liquidity of investments and seek to realize value from same in a prudent and orderly fashion.
Related Party Transactions	To the extent that the Company invests in issuers which have common directors with the Company or are otherwise related to the Company, such interest(s) will be disclosed in writing by the relevant parties, such related parties will abstain from voting on such investment if required under applicable corporate law and such investment will be approved by an independent committee of directors of the Company.

**Composition of Investment Portfolio**

The nature and timing of the Company’s investments will depend, in part, on the investment opportunities identified and available to the Company.

The composition of its investment portfolio will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk.