

Form 51-102F3

Material Change Report

Item 1 Name and Address of Company

Tantalus Systems Holding Inc. (the “**Company**”)
Suite 200 – 3555 Gilmore Way
Burnaby, British Columbia V5G 0B3

Item 2 Date of Material Change

August 12, 2021

Item 3 News Release

A news release was issued on August 12, 2021 (the “**News Release**”) and was disseminated via Newsfile Corp. A copy of the News Release has been filed on SEDAR and is available at www.sedar.com.

Item 4 Summary of Material Change

On August 12, 2021, the Company closed an overnight marketed public offering (the “**Offering**”) of 4,710,110 common shares of the Company (each, a “**Common Share**”) at a price of \$2.25 per Common Share (the “**Offering Price**”), for aggregate gross proceeds to the Company of \$10,597,747.50, before deducting commissions and expenses of the Offering. Canaccord Genuity Corp. and Cormark Securities Inc. (the “**Co-Lead Underwriters**”) acted as co-leads of the Offering on behalf of a syndicate of agents that included Beacon Securities Limited, PI Financial Corp. and Paradigm Capital Inc. (collectively with the Co-Lead Underwriters, the “**Underwriters**”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On August 12, 2021, the Company closed its Offering of 4,710,110 Common Shares for aggregate gross proceeds to the Company of \$10,597,747.50, before deducting commissions and expenses of the Offering, which includes 265,666 Common Shares issued pursuant to the partial exercise of the Underwriters’ over-allotment option at the Offering Price.

The Offering was made pursuant to an underwriting agreement dated August 5, 2021 (the “**Underwriting Agreement**”) between the Company and the Underwriters. In consideration for their services provided in connection with the Offering, the Company paid the Underwriters a cash commission equal to 6.0% of the gross proceeds of the Offering and issued the Underwriters 282,606 compensation warrants (each, a “**Compensation Warrant**”), with each Compensation Warrant exercisable for one Common Share at the Offering Price

for a period of two years from the closing date of the Offering, subject to adjustment in certain events.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

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

Peter Londa, the President and Chief Executive Officer of the Company, is knowledgeable about the material change and may be contacted by email at TantalusInfo@tantalus.com or by telephone at 604.299.0458.

Item 9 Date of Report

August 16, 2021.