

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1: Name and Address of Company

1319732 B.C. Ltd (the “**Company**”)
1 Adelaide Street East Suite 801
Toronto, Ontario M5C 2V9

Item 2: Date of Material Change

December 8, 2021.

Item 3: News Release

A news release was issued by the Company via EIN Presswire and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Change

See Item 5.1 below.

Item 5.1: Full Description of Material Change

On December 8, 2021, the Company closed a non-brokered private placement, raising aggregate gross proceeds of \$30,576.32 through the issuance of 100,000,000 common shares in the capital of the Company (each, a “**Share**”) at a price of \$0.000306 per Share (the “**Offering**”). All Shares issued pursuant to the Offering are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

The below sections contain the applicable portions of the disclosure required by Part 5 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

Certain subscribers in the Private Placement and Debt Settlement are considered a “related party” to the Corporation under MI 61-101. Accordingly, the Private Placement and Debt Settlement are considered “related party” transactions pursuant to MI 61-101. The Corporation relied upon the “Issuer Not Listed on Specified Markets” and “Financial Hardship” exemptions from the formal valuation and minority shareholder approval requirements, respectively, under MI 61-101. The Corporation is filing this material change report on SEDAR less than 21 days prior to the closing of the Private Placement and Debt Settlement due to the fact that the Corporation wished to close the Private Placement as soon as practicable to enable it to use the funds for short-term cash requirements.

All securities issued pursuant to the Offering and the Debt Settlement are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

In addition, the Company is pleased to announce the appointment to the board of directors of the Company (the “**Board**”) three new directors, being Binyomin Posen, Cole Duthie and Jack Wertzman, and the resignation of two directors, being Shimmy Posen and Grant Duthie. Effective immediately, Binyomin Posen has been appointed as Chief Executive Officer and Chief Financial Officer of the Company.

In connection with the Offering, Shimcity Inc., a company located in Toronto, Ontario (“**Shimcity**”), has acquired 47,794,110 Shares. Prior to the Offering, Shimcity held, beneficially owned, or exercised control or direction over, 13,235,294 Shares of the Company, representing 40.47% of the issued and outstanding Shares. Following the completion of the Offering, Shimcity holds 61,029,404 Shares, representing 45.99% of the issued and outstanding Shares on a non-diluted basis.

In connection with the Offering, 2657456 Ontario Inc. (“**265 ON**”), a company located in Toronto, Ontario, has acquired 52,165,490 Shares. Prior to the Offering, 265 ON held, beneficially owned, or exercised control or direction

over, 8,823,529 Shares of the Company, representing 26.98% of the issued and outstanding Shares. Following the completion of the Offering, 265 ON holds 61,029,419 Shares, representing 45.99% of the issued and outstanding Shares on a non-diluted basis.

The Shares acquired pursuant to the Offering were acquired by Shimcity and 265 ON (together, the “**Early Warning Reporters**”) for investment purposes, and depending on market and other conditions, the Early Warning Reporters may from time to time in the future increase or decrease their respective ownership, control or direction over securities of the Company through market transactions, private agreements, or otherwise. Copies of the respective early warning reports that will be filed by the Early Warning Reporters may be obtained on the Company’s SEDAR profile or by contacting Grant Duthie at 416-869-1234.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102 (Confidentiality)

Not applicable.

Item 7: Omitted Information

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

Item 8: Executive Officer

For additional information with respect to this material change, the following person may be contacted:

Binyomin Posen
Chief Executive Officer & Director
T: 416-481-2222
E: bposen@plazacapital.ca

Item 9: Date of Report

December 20, 2021.