

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Polaris Renewable Energy Inc. (“Polaris”)
7 St. Thomas Street, Suite 606
Toronto, Ontario
Canada M5S 2B7

Item 2 Date of Material Change

August 10, 2022

Item 3 News Release

A news release with respect to the material change referred to in this report was issued in Canada through the facilities of Accesswire and filed on SEDAR on August 10, 2022.

Item 4 Summary of Material Change

On August 10, 2022, Polaris announced that it had issued a notice of redemption (the “Notice”) to holders (“Debentureholders”) of its currently outstanding 7.00% unsecured convertible debentures, due May 31, 2024 (the “Debentures”). As set out in the Notice, the redemption date of the Debentures will be September 20, 2022 (the “Redemption Date”).

Item 5 Full Description of Material Change

On August 10, 2022, Polaris announced that it has issued the Notice to Debentureholders. As set out in the Notice, the Redemption Date will be September 20, 2022.

The redemption will be effected in accordance with the terms and definitions of the trust indenture governing the Debentures. Polaris will satisfy its obligation to repay Debentureholders by way of a cash payment of C\$1,000 per Debenture (the “Redemption Process”). Unpaid accrued interest on the Debentures will be paid in cash at the time of redemption. As of August 10, 2022, the then current outstanding amount of Debentures was C\$19,746,000.

Prior to 5:00 p.m. ET on the last business day immediately preceding the Redemption Date, Debentureholders will have the right to convert their Debentures into Common Shares at a conversion price of \$15.00 per Common Share. A Debentureholder electing to convert the principal amount of their Debentures will receive 66.67 Common Shares for each \$1,000 principal amount of Debentures converted. All Debentureholders who do not deliver a notice of conversion on or prior to 5:00 p.m. ET on September 18, 2022 shall have their Debentures redeemed for cash in accordance with Redemption Process described above.

Debentureholders who wish to convert their Debentures into Common Shares prior to the Redemption Date should consult with their financial institutions as soon as possible in order to obtain financial advice regarding said conversion and/or the Redemption Process and to allow for sufficient time to complete the conversion process.

No fractional shares will be issued on conversion but, in lieu thereof, Polaris shall satisfy any fractional interest by a cash payment equal to the fractional interest which would have been issuable multiplied by the conversion price adjustments.

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

Anton Jelic, Chief Financial Officer of Polaris, is an executive officer of Polaris and is knowledgeable about the material change and this report. Mr. Jelic can be contacted at 647-875-2110.

Item 9 Date of Report

August 15, 2022