

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

ITEM 1. NAME AND ADDRESS OF COMPANY

Libby K Industries Inc. (the "**Company**")
1208 Rosewood Crescent
North Vancouver, BC V7P 1H4

ITEM 2. DATE OF MATERIAL CHANGE

February 8, 2019

ITEM 3. NEWS RELEASE

Issued on February 8, 2019 and distributed through the facilities of Newswire and filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

ITEM 4. SUMMARY OF MATERIAL CHANGE

On February 8, 2019, the Company completed its initial public offering (the "**Offering**"), and issued an aggregate of 5,000,000 common shares in the capital of the Company (the "**Shares**") to purchasers in British Columbia, Ontario and Alberta at a purchase price of \$0.10 per Share for gross proceeds of \$500,000. PI Financial Corp. acted as agent in respect of the Offering and received a cash commission of \$50,000, a corporate finance fee and 50,000 compensation options.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

See news release dated February 8, 2019, attached as Schedule "A" hereto (the "**News Release**"). Subsequent to the date of the News Release, the Shares commenced trading on the TSX Venture Exchange on February 12, 2019 under the trading symbol "LBB.P".

A director and senior officer of the Company (the "**Interested Party**") participated in the Offering as follows:

Name of Director/Officer	Number of Shares
Robert Kiesman – Chief Executive Officer, Director and Chair	100,000
An associated entity of the Interested Party	80,000
Total	180,000

Accordingly, the Offering constituted to that extent a "related party transaction" under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The directors of the Company, excluding the Interested Party to the extent of his own participation in the Offering, determined that the Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101

pursuant to the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 as, at the time the Offering was agreed to, neither the fair market value of the securities to be distributed in the Offering nor the consideration to be received for those securities, insofar as the Offering involves the Interested Party, exceeded 25% of the Company's market capitalization.

The table below sets out the shareholdings of the Interested Party prior to and following completion of the Offering on a non-diluted basis:

Name	Shareholdings prior to the Offering ⁽¹⁾		Shareholdings following the Offering ⁽¹⁾	
	Number	Percentage	Number	Percentage
Robert Kiesman	600,000	9.84%	700,000	6.31%
Associated Entity	200,000	3.28%	280,000	2.52%
Total	800,000	13.12%	980,000	8.83%

(1) Beneficially owned or over which control is exercised by the Interested Party and his associated entities.

The Company did not file a material change report more than 21 days before the expected closing of the Offering as the details of the Offering and the participation therein by related parties of the Company were not settled until shortly prior to closing and the Company wished to close the Offering on an expedited basis for sound business reasons.

ITEM 5.2 DISCLOSURE ON RESTRUCTURING TRANSACTION

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

Contact: Robert Kiesman, CEO and Chair
Telephone: (778) 840-5553

ITEM 9. DATE OF REPORT

February 12, 2019

Schedule "A"
[News Release dated February 8, 2019]



LIBBY K INDUSTRIES INC. ANNOUNCES COMPLETION OF INITIAL PUBLIC OFFERING

Vancouver, British Columbia, February 8, 2019. Libby K Industries Inc. (the "**Company**" or "**Libby K**"), a capital pool company, is pleased to announce that it has completed its initial public offering (the "**Offering**"). Libby K issued an aggregate of 5,000,000 common shares (each, a "**Common Share**") to purchasers in British Columbia, Ontario and Alberta at a purchase price of \$0.10 per share for gross proceeds of \$500,000. The \$500,000 in gross proceeds represents the maximum offering as provided in the Company's final prospectus dated January 19, 2019.

PI Financial Corp. acted as agent on a commercially reasonable efforts basis in respect of the Offering and received a cash commission of \$50,000 and a corporate finance fee. In addition, Libby K issued to agents involved in the Offering non-transferable compensation options ("**Compensation Options**") to acquire an aggregate of up to 500,000 Common Shares for a period of two years from the date the Common Shares are listed on the TSX Venture Exchange (the "**Exchange**"), at an exercise price of \$0.10 per share.

A director and senior officer of the Company, together with an associated entity of such director and senior officer, purchased a total of 180,000 Common Shares in the Offering. Accordingly, the Offering constituted to that extent a "related party transaction" under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The transaction is exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 as neither the fair market value of any shares issued to or the consideration paid by such persons exceeds 25% of the Company's market capitalization. The Company did not file a material change report more than 21 days before the expected closing of the Offering as the details of the Offering and the participation therein by related parties of the Company were not settled until shortly prior to closing and the Company wished to close on an expedited basis for sound business reasons.

An aggregate of 1,110,000 stock options have also been granted to the directors and officers of the Company to acquire Common Shares at an exercise price of \$0.10 per share, which may be exercised for a period of 5 years from the date of grant. Libby K is a capital pool company within the meaning of the policies of the Exchange. The Company has not commenced operations and has no assets other than cash. Libby K will use the net proceeds of the Offering to identify and evaluate potential Qualifying Transactions pursuant to the policies of the Exchange.

Robert Kiesman, CEO of Libby K, stated, "Our team is so pleased to have quickly raised the maximum amount of \$500,000.00 in our IPO. With approximately \$670,000 in our treasury, Libby K is now well capitalized with an experienced team that is eager to begin identifying and evaluating companies or assets for a potential Qualifying Transaction that will bring value to our shareholders".

Libby K is also pleased to announce that it has received approval of its application to list its Common Shares on the Exchange. Libby K's Common Shares were listed on the Exchange on February 8, 2019 and immediately halted pending closing of the Offering. The Common Shares are expected to commence trading on the Exchange on February 12, 2019 under the trading symbol "LBB.P".

ON BEHALF OF THE BOARD

"Robert Kiesman"

Robert Kiesman
CEO and Chair

Neither the 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 release.

This press release includes "forward-looking information" that is subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Statements regarding listing of the Common Shares on the Exchange are subject to all of the risks and uncertainties normally incident to such events. Investors are cautioned that any such statements are not guarantees of future events and that actual events or developments may differ materially from those projected in the forward-looking statements. Such forward-looking statements represent management's best judgment based on information currently available.