

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Spitfyre Capital Inc. (the “**Company**”)
100 King Street West, Suite 1600
1 First Canadian Place
Toronto, ON M5X 1G5

Item 2 Date of Material Change

June 17, 2022

Item 3 News Release

The news release disclosing the material change was disseminated on June 17, 2022 (the “**News Release**”) through the facilities of Newswire and subsequently filed on the System for Electronic Document Analysis and Retrieval at www.sedar.com (“**SEDAR**”).

Item 4 Summary of Material Changes

On June 17, 2022, the Company completed its initial public offering of 1,250,000 common shares in the capital of the Company (the “**Common Shares**”) at a price of \$0.20 per Common Share (the “**Offering Price**”) for gross proceeds of \$250,000 (the “**Offering**”). The Common Shares commenced trading on the TSX Venture Exchange (the “**TSXV**”) under the symbol “FYRE.P” on June 22, 2022.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On June 17, 2022, the Company completed its Offering of 1,250,000 Common Shares at the Offering Price for gross proceeds of \$250,000 pursuant to its amended and restated prospectus dated May 13, 2022, amending and restating the Company’s prospectus dated December 23, 2021, filed in the Provinces of Ontario, British Columbia and Alberta (the “**Prospectus**”).

Hampton Securities Limited (the “**Agent**”) acted as agent for the Offering. In connection with the Offering, the Agent received a cash commission of \$25,000, representing 10% of the gross proceeds of the Offering, and compensation warrants to purchase up to 125,000 Common Shares, representing 10% of the Common Shares issued pursuant to the Offering, for a period ending 36 months after the date of issuance at the Offering Price.

Matthew McMillan, the Chief Executive Officer, Corporate Secretary and a director of the Company, and Gordon McMillan, a director of the Company, purchased or acquired direction and control over a total of 281,000 Common Shares for total consideration of \$56,200 under the Offering (the “**Insider Participation**”). Participation by those persons constitutes a related party transaction as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company is relying upon an exemption from the formal valuation and minority shareholder approval requirements under MI 61-101, in respect of the Insider Participation, in reliance on Sections 5.5(b) and 5.7(1)(a) of MI 61-101, respectively, as the Company is not listed or quoted on the stock exchanges set out therein and the fair market value of the Insider Participation does not exceed 25% of the Company’s market capitalization as determined in accordance with MI 61-101. The Company did not file a material change report more than 21 days prior to the closing of the Offering as the details of the participation of insiders of the Company had not been confirmed at that time.

Following the Offering, the Corporation has 5,750,000 Common Shares issued and outstanding, of which 4,781,000 are subject to escrow restrictions as disclosed in the Prospectus, a copy of which may be obtained under the Company’s profile at www.sedar.com.

The Company is a capital pool company pursuant to Policy 2.4 (the “**CPC Policy**”) of the TSXV. Except as specifically contemplated in the CPC Policy, until the completion of its Qualifying Transaction (as such term is defined in the CPC Policy), the Company will not carry on business, other than the identification and evaluation of companies, business or assets with a view to completing a proposed Qualifying Transaction.

The Common Shares commenced trading on the TSXV under the symbol “FYRE.P” on June 22, 2022.

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

Matthew McMillan
Chief Executive Officer
(905) 484-7698

Item 9 Date of Report

June 27, 2022

Forward Looking Information

This Material Change Report contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws (collectively, the “**forward-looking statements**”). Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, “likely” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions. Forward-looking statements in this Material Change Report includes, without limitation, statements relating to the use of proceeds of the Offering. These forward-looking statements are made as of the date of this Material Change Report. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. While the Company has based these forward-looking statements on its expectations about future events as at the date that such statements were prepared, the statements are not a guarantee that such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. For a non-exhaustive list of applicable risk factors, please refer to the Prospectus, a copy of which is available on the Company’s profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company is under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.