

Form 51-102F3
Material Change Report

Item 1 **Name and Address of Company**

Proton Capital Corp. (“**Proton**” or the “**Corporation**”)
3603 Selinger Crescent
Regina, Saskatchewan S4V2H7

Item 2 **Date of Material Change**

May 16, 2022

Item 3 **News Release**

The news release was disseminated on May 16, 2022 through Globenewswire.

Item 4 **Summary of Material Change**

Proton has successfully completed its initial public offering of 20,000,000 common shares of the Corporation at a price of \$0.10 per Common Share for gross proceeds of \$2,000,000.

Item 5.1 **Full Description of Material Change**

Proton has successfully completed its initial public offering of 20,000,000 common shares of the Corporation (“**Common Shares**”) at a price of \$0.10 per Common Share for gross proceeds of \$2,000,000 (the “**Offering**”). After completion of the Offering, the Corporation now has 40,000,000 Common Shares issued and outstanding.

The Corporation is a “capital pool company” and intends to use the net proceeds of the Offering to identify and evaluate assets or businesses for acquisition with a view to completing a “Qualifying Transaction” under the policies of the TSX Venture Exchange Inc. (the “**Exchange**”). On May 12, 2022, the Exchange issued a bulletin approving the listing of the Common Shares as of market open on May 16, 2022, and immediately halting trading pending completion of closing of the Offering. The Common Shares will resume trading under the trading symbol “**PTN**” on May 18, 2022.

iA Private Wealth Inc. (the “**Agent**”) acted as the agent for the Offering and in connection therewith, the Corporation granted the Agent compensation warrants to purchase 2,000,000 Common Shares at a price of \$0.10 per Common Share and which may be exercised for a period of two years from the day the Common Shares are listed on the Exchange, which was May 16, 2022. In connection with the Offering, the Agent also received a cash commission equal to 7.5% of the gross proceeds of the Offering, a reduced commission of 4.0% for proceeds raised from purchasers on a President’s List, a work fee and was reimbursed for its legal fees and reasonable expenses.

Concurrent with the closing of the Offering, the Corporation also granted options to acquire an aggregate of 4,000,000 Common Shares at an exercise price of \$0.10 per Common Share to the directors and officers of the Corporation, which options expire ten years from the date of grant.

A company wholly-owned by Alan Simpson, the President, CEO, CFO, Corporate Secretary and a director of the Corporation, purchased 400,000 Common Shares pursuant to the Offering and this purchase is considered a “related party transaction” for the purposes of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 (the “**Related Party Policies**”). Proton has determined that exemptions from the various requirements of the Related Party Policies are available in connection with the Offering pursuant to Section 5.5(b) (Issuer Not Listed on Specified Markets) and Section 5.7(a) (Fair Market Value Not More Than 25% of Market Capitalization) of MI 61-101, respectively. No new insiders were created, nor has any change of control occurred, as a result of the Offering.

As noted above, pursuant to the closing of the Offering, a company wholly-owned by Alan Simpson, the President, CEO, CFO, Corporate Secretary and a director of the Corporation acquired 400,000 Common Shares (representing 1.0% of the issued and outstanding Common Shares). Prior to the closing of the Offering, a company wholly-owned by Mr. Simpson, held 4,500,000 Common Shares, or approximately 22.5% of the total issued and outstanding Common Shares. Mr. Simpson now controls 4,900,000 Common Shares, or approximately 12.25% of the total issued and outstanding Common Shares, and 2,175,000 stock options. Assuming the exercise of the stock options, Mr. Simpson would own or control 7,075,000 Common Shares, or approximately 16.78% of the total issued and outstanding Common Shares after such exercise. Mr. Simpson may increase or decrease his investment in the Corporation depending on market conditions or any other relevant factors. The head office address for the Corporation is 3603 Selinger Crescent, Regina, Saskatchewan S4V2H7. The address for Mr. Simpson is 3603 Selinger Crescent, Regina, Saskatchewan S4V2H7.

Investors are cautioned that trading in the securities of a capital pool company should be considered highly speculative.

***Forward-Looking Information:** Certain statements contained in this material change report constitute forward-looking information. These statements relate to future events or the Corporation’s future performance. The use of any of the words “could”, “expect”, “believe”, “will”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Corporation’s current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, the Corporation’s stated use of proceeds and its expectation as to the resumption of trading of the Common Shares on the Exchange constitute forward-looking information. Actual results and developments may differ materially from those contemplated by forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information. The statement made in this press release are made as of the date hereof. The Corporation disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.*

Item 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

No significant facts remain confidential in, or no information has been omitted from, this report.

Item 8 Executive Officer

For more information, please contact Alan Simpson, President, Chief Executive Officer, Chief Financial Officer, Corporate Secretary and a Director
Telephone: 306.536.3771

Item 9 Date of report:

May 16, 2022