

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Proton Capital Corp. (“**Proton**” or the “**Corporation**”)
3603 Selinger Crescent
Regina, Saskatchewan S4V 2H7

2. **Date of Material Change**

August 31, 2023

3. **News Release**

The news release was disseminated on August 31, 2023 through GlobeNewswire.

4. **Summary of Material Change**

Proton announced Strategic Alliance Agreement with PharmaChoice Canada Inc.

5.1 **Full Description of Material Change**

Further to its news releases dated April 20, 2023 and July 26, 2023 in relation to the signing of a Letter of Intent dated April 20, 2023 with PharmaChoice Canada Inc., and the potential qualifying transaction of Proton (“**Qualifying Transaction**”), Proton is pleased to report that the definitive agreements in relation to a strategic alliance (“**Strategic Alliance Agreement**”) with PharmaChoice Canada Inc. have been executed. In addition, the Strategic Alliance Agreement includes, but is not limited to, the following schedules which have been executed but are being held in escrow until the completion of the Qualifying Transaction: a license agreement (“**License Agreement**”), a right-of-first-refusal agreement (“**ROFR**”) and a master membership agreement (“**Master Membership Agreement**”).

Under to the terms of the License Agreement, PharmaChoice Canada Inc. has granted Proton the right to use the names “PharmaChoice”, “PharmaChoix”, “Rx PharmaChoice”, “Advice for Life” and “Rx Health Med”, together with other such names as PharmaChoice Canada Inc. may operate in the future; under the terms of the ROFR, Proton receives a right-of-first-refusal to acquire PharmaChoice Canada Inc. bannered pharmacies under certain conditions applicable to such ROFRs as pharmacies come to market in the normal course of business; and under the terms of the Master Membership Agreement, all pharmacies acquired by Proton shall be required to: i) remain a PharmaChoice Canada Inc. banner pharmacy, if such is the case at the time of acquisition; ii) if not a PharmaChoice Canada Inc. bannered pharmacy at acquisition by Proton, such acquired pharmacy must be transitioned to a PharmaChoice Canada Inc. bannered name, and iii) all Proton acquisitions must source their pharmaceutical supplies through PharmaChoice Canada Inc. distribution agreements with its suppliers.

Alan Simpson, CEO of Proton stated, “We are excited about our strategic alliance with PharmaChoice Canada Inc. and our entry into the pharmacy business upon completion of the Qualifying Transaction. The strategic alliance gives all PharmaChoice Canada Inc. members a

viable exit strategy with a number of attractive options when they choose to sell, while at the same time, providing Proton with a stable and sustainable pipeline of acquisitions for decades to come.”

Simpson continued, “The future of pharmacy is compelling. We see demand for prescription medications as well as health and wellness products continuing to grow, plus, the scope of pharmacy services continuing to expand into health consultancy and more prescribing authority being given to pharmacists.”

Grady Brown, CEO of PharmaChoice Canada Inc. said, “The Board of PharmaChoice Canada Inc. and I are thrilled about our strategic alliance with Proton, which is poised to fuel the expansion of our banners nationwide. Moreover, we're delighted that our members will now enjoy an additional option when the time comes to consider the sale of their pharmacy. This strategic alliance provides long term sustainability for PharmaChoice Canada Inc. and its members and offers Proton a great pipeline of acquisitions for the foreseeable future.

Conditions Under the Strategic Alliance Agreement and Termination

The Strategic Alliance Agreement may be terminated by either party if the Qualifying Transaction has not been completed by October 21, 2025, and on certain other circumstances as set forth in the Strategic Alliance Agreement. In addition, the obligations of the parties to complete the transactions contemplated by the Strategic Alliance Agreement are subject to the following conditions, among others: (a) the following mutual conditions: Proton shareholder approval of the Qualifying Transaction, if required; TSX Venture Exchange (“**TSXV**”) approval; and obtaining any and all other consents or approvals of any governmental entity; and (b) conditions for the benefit of each of the parties: that the covenants in the Strategic Alliance Agreement of the other party have been performed; that the representations and warranties of the other party are true and correct; and that no material adverse change in respect of the other party shall have occurred.

Potential QT Acquisition and Potential Financing

Proton continues to evaluate the acquisition of a PharmaChoice Canada Inc. bannered pharmacy or pharmacies as part of the Qualifying Transaction (“**Potential QT Acquisition**”), and is considering an equity financing (either brokered, non-brokered or both) in the context of the market in connection with the Qualifying Transaction, to be completed in conjunction with, or after, the Qualifying Transaction (the “**Potential Financing**”). Proton advises that it has entered into a non-binding letter of intent in relation to a Potential QT Acquisition, but it has not yet entered into any agreement, letter of intent, term sheet or other arrangement in relation to a Potential Financing. Proton will provide a further update in respect of a Potential QT Acquisition or a Potential Financing if and when the material terms of any such Potential QT Acquisition or Potential Financing are determined, or if Proton enters into a binding definitive agreement, if any, in relation to such Potential QT Acquisition or Potential Financing.

Potential Name Change

Concurrent with the closing of a Qualifying Transaction, Proton will undergo a name change to PharmaCorp Rx Inc.

Other Information and Halt

Completion of the Qualifying Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and, if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the Qualifying Transaction cannot close until the required shareholder approval is obtained.

There can be no assurance that the Qualifying Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the proposed Qualifying Transaction and has neither approved nor disapproved the contents of this material change report.

A copy of the Strategic Alliance Agreement will be filed on SEDAR+ at www.sedarplus.ca. If and when definitive agreements are executed in relation to the Potential QT Acquisition or Potential Financing, Proton will issue a subsequent news release in accordance with the policies of the TSXV including details of the definitive agreements and additional terms and conditions of the Qualifying Transaction, including information relating to the acquisition of a pharmacy or pharmacies, summary financial information and other information in respect of such acquisition, proposed terms of any concurrent private placement, and the proposed directors, officers, and insiders of the resulting issuer upon completion of the Qualifying Transaction.

In accordance with the policies of the TSXV, the common shares of Proton are currently halted from trading and will remain halted until further notice.

About PharmaChoice Canada Inc.

PharmaChoice Canada Inc. is a corporation operating as a shareholder owned buying group comprised of approximately 1,050 independent pharmacies in Canada. Headquartered in Saskatoon, Saskatchewan and Halifax, Nova Scotia, PharmaChoice is the 8th largest pharmacy banner in North America by store count, the 3rd largest in Canada, and the fastest growing pharmacy banner in Canada over the last six years.

PharmaChoice licenses pharmacy brands to independent pharmacy owners in Canada.

About Proton Capital Corp.

Proton was incorporated on September 1, 2021 by certificate of incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta). Proton is classified as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the TSXV. The principal business of Proton is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a “**qualifying transaction**” as defined under TSXV policies. Proton’s shares trade on the TSXV under the trading symbol: PTN.P

For further information, contact:

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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 material change report.

Forward-Looking Information: This material change report contains “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. In particular, this material change report contains forward-looking information in relation to: the strategic alliance, including, the execution and holding in escrow of the License Agreement, the ROFR and the Master Membership Agreement, the names and potential names under which PharmaChoice Canada Inc. may operate in the future and the potential of the strategic alliance to fuel the expansion of potential future PharmaChoice Canada Inc. branded banners, the potential acquisition by Proton of PharmaChoice Canada Inc. branded pharmacies and non-PharmaChoice Canada Inc. branded pharmacies, the potential entry of Proton into the pharmacy business upon completion of the Qualifying Transaction, the potential benefits of the strategic alliance to PharmaChoice Canada Inc. members and Proton, respectively, including exit strategies for PharmaChoice Canada Inc. members, and a pipeline of potential acquisitions for Proton and the potential timeline for these benefits, the potential long term sustainability of the strategic alliance on PharmaChoice Canada Inc., and the potential termination of the strategic alliance pursuant to the conditions contained in the Strategic Alliance Agreement; the potential future of the pharmacy industry, including growth for prescription medications, health and wellness products, and prescribing authority being given to pharmacists, as well as the expansion of the pharmacy industry into health consultancy; the proposed Qualifying Transaction, including a Potential QT Acquisition and a Potential Financing in relation to the proposed Qualifying Transaction and the potential name change of Proton concurrent with the closing of the proposed Qualifying Transaction; the issuance of a further news release in respect of a Potential QT Acquisition or a Potential Financing if and when the material terms of any such Potential QT Acquisition or Potential Financing are determined, or if Proton enters into a binding definitive agreement, if any, in relation to such Potential QT Acquisition or Potential Financing, and the inclusion of the material terms of a Potential QT Acquisition or a Potential Financing and other information in relation to the Qualifying Transaction in such news release. This forward-looking information reflects Proton’s current beliefs and is based on information currently available to Proton and on assumptions Proton believes are reasonable. These assumptions include, but are not limited to: the closing of the proposed Qualifying Transaction; Proton negotiating and executing an agreement with a PharmaChoice branded pharmacy or pharmacies which will constitute part of the proposed Qualifying Transaction of Proton; the completion of satisfactory due diligence by Proton in relation to proposed Qualifying Transaction; the receipt of all required approvals for the proposed Qualifying Transaction and Potential Financing, including TSXV acceptance and any board or shareholder approvals or third party consents; market acceptance of the proposed Qualifying Transaction and Potential Financing; and acceptable terms in relation to any Potential Financing. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Proton to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board of directors, third party or regulatory approvals; competition; changes in legislation, including environmental legislation, affecting Proton; the timing and availability of external financing on acceptable terms; conclusions of economic evaluations and appraisals; lack of qualified, skilled labour or loss of key individuals; risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, mandatory vaccination policies, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in Proton’s disclosure documents on the SEDAR+ website at www.sedarplus.ca. Although Proton has attempted to identify important risks and factors that could

cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this material change report is expressly qualified by this cautionary statement. The forward-looking information contained in this material change report represents the expectations of Proton as of the date of this material change report and, accordingly, is subject to change after such date. However, Proton expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

5.2 **Disclosure for Restructuring Transactions**

Not Applicable.

6. **Reliance on Section 7.1(2) or (3) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

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

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

9. **Date of Report**

August 31, 2023