

MATERIAL CHANGE REPORT

Item 1 — Name and Address of Company

Auka Capital Corp. (the "**Corporation**")
Suite 1600, 421 – 7th Avenue S.W.
Calgary, Alberta, T2P 4K9

Item 2 — Date of Material Change

November 7, 2024

Item 3 — News Release

The news release announcing the material change was disseminated via Newswire services on November 8, 2024. The news release was also subsequently filed on SEDAR+ at www.sedarplus.com.

Item 4 — Summary of Material Change

The Corporation announced that, further to its previous press release dated July 16, 2024, it has amended a number of the terms of the definitive business combination agreement dated July 16, 2024, with Dr. Phone Fix Canada Limited ("**DPF**"), including the terms of the related brokered private placement financing for subscription receipts of DPF, in connection with the Corporation's proposed qualifying transaction.

Item 5 — Full Description of Material Change

5.1 — Full Description of Material Change

A full description of the material change is described in the Corporation's news release dated November 8, 2024, which is attached as Schedule "A" hereto.

5.2 — Disclosure for Restructuring Transactions

Not applicable.

Item 6 — Item 6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 – Continuous

Not applicable.

Item 7 — Omitted Information

No information has been omitted from this material change report.

Item 8 — Executive Officer

Robert Cole
Chief Executive Officer
Telephone: (780) 237 9270
Email: rcole@tytataholdings.com

Item 9 — Date of Report

November 15, 2024

SCHEDULE "A"

AUKA CAPITAL CORP. ANNOUNCES AMENDMENTS TO THE TERMS OF ITS PROPOSED QUALIFYING TRANSACTION AND PRIVATE PLACEMENT FINANCING

CALGARY, AB, Nov. 8, 2024 /CNW/ - Auka Capital Corp. ("**Auka**") (TSXV: **AUK.P**) a capital pool company as defined under Policy 2.4 – Capital Pool Companies ("**CPC**") of the TSX Venture Exchange (the "**Exchange**"), is announcing that, further to its previous press release dated July 16, 2024 (the "**Previous Press Release**"), it has amended a number of the terms of the definitive business combination agreement dated July 16, 2024, with Dr. Phone Fix Canada Limited ("**DPF**"), including the terms of the related brokered private placement financing for subscription receipts of DPF (the "**Subscription Receipts**"), in connection with Auka's proposed qualifying transaction (the "**Transaction**").

The Transaction will be carried out pursuant to the terms of an Amended and Restated Definitive Agreement (the "**Amended and Restated Definitive Agreement**"), a copy of which has been filed on Auka's SEDAR+ profile at www.sedarplus.ca. The below summary of certain updated terms of the Transaction is qualified in its entirety by reference to the full text of the Amended and Restated Definitive Agreement.

Updates to the Terms of the Transaction

Auka's wholly-owned subsidiary, 2629911 Alberta Inc. ("**Subco**"), will on closing of the Transaction continue to amalgamate with DPF (the "**Amalgamation**") and the amalgamated entity ("**Amalco**") will continue as a wholly-owned subsidiary of Auka, and Auka will be renamed to "Dr. Phone Fix Corporation", or such other similar name as may be accepted by the relevant regulatory authorities and approved by DPF and Auka (the "**Resulting Issuer**").

In accordance with the terms of the Amended and Restated Definitive Agreement each holder of shares of DPF ("**DPF Shares**") will now exchange their DPF Shares for common shares in the capital of the Resulting Issuer ("**Resulting Issuer Common Shares**") on the basis of 11.4402330114547 fully paid and non-assessable Resulting Issuer Common Shares for every one (1) DPF Share held, at an updated deemed price of approximately \$1.37 per DPF Share. The deemed value of each Resulting Issuer Common Share issued to holders of DPF Shares under the Transaction is approximately \$0.12 per share.

The Transaction itself is not subject to Auka's shareholder approval. Auka intends to hold an annual and special meeting of its shareholders to approve certain matters related to the Transaction as are set out in the Previous Press Release.

In connection with the proposed Transaction, and pursuant to the terms of the Amended and Restated Definitive Agreement, it is now expected that approximately 120,522,963 Resulting Issuer Common Shares will be issued to the holders of DPF Shares (not including DPF Shares issuable upon the conversion of Subscription Receipts). Based on the number of DPF Shares outstanding as of the date hereof, and assuming the exchange of each Subscription Receipt into underlying securities, it is now expected that there would be a maximum of approximately 162,249,835 Resulting Issuer Common Shares (not including the exercise of the Agent's Option (as defined below)) outstanding upon completion of the Transaction, on a non-diluted basis. On completion of the Transaction, the current shareholders of Auka are expected to hold an aggregate of approximately 12,500,000 Resulting Issuer Common Shares, which now represents approximately 7.7% of the maximum number of Resulting Issuer Common Shares (not including the exercise of the Agent's Option), the current shareholders of DPF (including the holders of Resulting Issuer Common Shares which are being issued to satisfy approximately \$5.5 million in DPF debt) would now hold an aggregate of approximately 120,522,963 Resulting Issuer Common Shares, which now represents approximately 74.3% of the maximum number of Resulting Issuer Common Shares (not including the

exercise of the Agent's Option), and investors in the Private Placement (as defined below) would now hold an aggregate of approximately 29,226,872 Resulting Issuer Common Shares (not including the exercise of the Agent's Option), now representing approximately 18.0% of the maximum number of Resulting Issuer Common Shares.

In connection with the Transaction and pursuant to the Amended and Restated Definitive Agreement Auka will, subject to required regulatory approvals, advance an aggregate of \$250,000 to DPF by way of secured loan (the "**Bridge Loan**") pursuant to a definitive loan agreement and ancillary documentation. The Bridge Loan shall be secured against all present and after-acquired property of DPF. The Bridge Loan will bear interest at a rate of the prime rate in Canada plus two percent (2%) and (i) will mature on the date that is the earlier of (i) six (6) months from the date of the Bridge Loan agreement or remain as an inter-company loan between DPF and Amalco on closing of the Transaction.

Updates to the Terms of the Private Placement of Subscription Receipts of DPF

Prior to the completion of the Transaction, DPF is expected to complete a brokered private placement of Subscription Receipts (the "**Private Placement**"), with Canaccord Genuity Corp. as lead agent (the "**Agent**") for aggregate gross proceeds of up to \$3,500,000, subject to the Agent's Option. The Agent has an option, exercisable in whole or in part prior to the closing of the Private Placement, to increase the size of the Private Placement by up to an aggregate of \$525,000 (the "**Agent's Option**"). Each Subscription Receipt will now be issued at a price of \$1.37 per Subscription Receipt.

The Subscription Receipts will be created and issued pursuant to the terms of a subscription receipt agreement (the "**Subscription Receipt Agreement**") to be entered into among Odyssey Trust Company, as subscription receipt agent, DPF, Auka and the Agent.

Each Subscription Receipt will be automatically converted, without payment of additional consideration or further action by the holder thereof, into one unit comprised of one DPF Share and one-half of one common share purchase warrant of DPF (each whole warrant, a "**DPF Warrant**"), subject to adjustment in certain events, immediately before the completion of the Transaction upon the satisfaction or waiver of the Escrow Release Conditions (as to be defined in the Subscription Receipt Agreement) which will now take place on or before January 31, 2025. Each DPF Warrant will entitle the holder thereof to acquire one DPF Share at a price of \$2.28 per DPF Share.

In consideration for the Agent's services in connection with the Private Placement, the Agent will be entitled to commissions and fees as described in the Previous Press Release.

Updates to the Proposed Management and Board of Directors of Resulting Issuer

Concurrent with the completion of the Transaction, Frank Y. Sur now will be appointed as Corporate Secretary of the Resulting Issuer and Graham Barr will be appointed only as director of the Resulting Issuer.

Frank Y. Sur – *Director and Corporate Secretary*

Frank Sur, current Corporate Secretary and a director of Auka, is a partner of Gowling WLG (Canada) LLP, practicing in the areas of mergers and acquisitions, capital markets, and corporate commercial, with a focus in

technology, energy and mining sectors. Fluent in Korean, Frank has represented a number of Korean-based companies - as well as numerous international companies based in China and other parts of Asia - in various transactions over the years. He has sat on the boards of a number of public companies, has advised on a large number of cross-border transactions, and has represented many international companies on financings, mergers and acquisitions, and strategic partnerships.

Mr. Sur holds an LL.B. from the University of Windsor, a Juris Doctor from the University of Detroit Mercy School Of Law and a bachelor's degree in arts (honours) from Queen's University.

Information on the remainder of management and directors of the Resulting Issuer can be found in the Previous Press Release.

ABOUT AUKA

Auka is a capital pool company that has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the Exchange's CPC Policy, until the completion of its qualifying transaction, Auka will not carry on business, other than the identification and evaluation of businesses or assets with a view to completing a proposed qualifying transaction.

ANY SECURITIES REFERRED TO HEREIN WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "1933 ACT") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO A U.S. PERSON IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT.

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAW.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release. The Exchange has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the content of this press release.

The information contained or referred to in this press release relating to DPF has been furnished by DPF. Although Auka has no knowledge that would indicate that any statement contained herein concerning DPF is untrue or incomplete, neither Auka nor any of its respective directors or officers assumes any responsibility for the accuracy or completeness of such information.

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance, receipt of requisite regulatory approvals, completion of the Private Placement and if applicable pursuant to Exchange requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approvals, and any ancillary matters thereto, are obtained. There can be no assurance that the 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 Transaction, any information released or received with respect to the 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.

This forward-looking information in respect of Auka and DPF reflects DPF's or Auka's, as the case may be, current beliefs and is based on information currently available to Auka and DPF, respectively, and on assumptions Auka and DPF, as the case may be, believes are reasonable. These assumptions include, but are not limited to, management's assumptions about the Exchange approval for the Transaction, closing of the Private Placement, closing of the Amalgamation announced above and DPF's assumptions regarding its business objectives.

Forward-Looking Information Cautionary Statement

This news release includes forward-looking information ("**forward-looking information**") within the meaning of Canadian securities laws regarding Auka, Subco, Amalco, DPF, the Resulting Issuer and their respective businesses, which may include, but is not limited to, statements with respect to the completion, and the terms and conditions, of the Transaction, the satisfaction of conditions to closing, the proposed composition of the board of directors of the Resulting Issuer, the Private Placement and the amount of the proceeds therefrom, if any, the terms and timing on which the Transaction and the Private Placement are intended to be completed, the ability to obtain regulatory approval, the name of the Resulting Issuer, and the appointment of the certain auditors upon completion of the Transaction. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes", "estimates" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such statements are based on the current expectations and views of future events of the management of each entity, and are based on assumptions and subject to risks and uncertainties. Although the management of each respective entity believes that the assumptions underlying the forward-looking information as applicable to them or their respective businesses or the Transaction are reasonable, such 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 Auka, DPF and the Resulting Issuer to be materially different from those expressed or implied by such forward-looking information and may prove to be incorrect. The forward-looking information, events and circumstances discussed in this release, including but not limited to regulatory approval, completion of the Transaction (and the proposed terms upon which the Transaction is proposed to be completed) and the Private Placement, may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including the risk that DPF and Auka may not obtain all requisite approvals for the Transaction, including the approval of the Exchange for the Transaction (which may be conditional upon amendments to the terms of the Transaction), risks of the industry in which DPF operates, failure to obtain regulatory or shareholder approvals, general business, economic, competitive, political and social uncertainties, any estimated amounts, timing of the Private Placement, the equity markets generally and risks associated with growth, general capital market conditions and market prices for securities and the market conditions of the refurbished device and device repair industry in general, competition, and changes in legislation affecting Auka, DPF and the Resulting Issuer. Although Auka and DPF have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on any forward-looking information contained herein. No statements comprising forward-looking information can be guaranteed. Except as required by applicable securities laws, forward-looking information contained herein speak only as of the date on which they are made and Auka and DPF undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this news release.