

**FORM 51-102F3**  
**Material Change Report**

**1. Name and Address of Company:**

Penbar Capital Ltd.  
Suite 2250 - 1055 West Hastings Street  
Vancouver, B.C. V6E 2E9

**2. Date of Material Change:**

November 27, 2023

**3. News Release:**

The news release with respect to the material change was disseminated through Stockwatch on November 27, 2023 and filed on the SEDAR website at [www.sedar.com](http://www.sedar.com).

**4. Summary of Material Change:**

Penbar Capital Ltd. (“**Penbar**” or the “**Company**”) announces definitive agreement for the acquisition of Emissions EV Technologies Inc. (“**Emissions EV**”).

**5. Full Description of Material Change:**

**5.1 Full Description of Material Change**

On November 27, 2023, the Company entered into an amalgamation agreement dated November 24, 2023 (the “**Amalgamation Agreement**”), pursuant to which Penbar will acquire all of the issued and outstanding securities of Emissions EV (the “**Transaction**”). Pursuant to the terms of the Amalgamation Agreement, Penbar will acquire all of the issued and outstanding common shares (each, an “**Emissions EV Share**”) in the capital of Emissions EV by way of a “three-cornered” amalgamation whereby a wholly owned subsidiary of Penbar and Emissions EV will amalgamate to form a new amalgamated entity (“**Amalco**”), and Amalco will be a wholly-owned subsidiary of Penbar. In addition, Emission EV Operating Corp. will be a wholly-owned subsidiary of Amalco.

Prior to completion of the Transaction, Penbar will seek to consolidate its issued and outstanding common shares (the “**Penbar Shares**”) on the basis of two pre-consolidation Penbar Shares for every one post-consolidation Penbar Share (the “**Consolidation**”).

Penbar expects to issue an aggregate of 67,091,767 Penbar Shares (on a post-Consolidation basis) for the Emissions EV Shares issued and outstanding immediately prior to the completion of the Concurrent Financing (as defined below). In addition, Penbar expects to: (i) issue 10,000,000 Penbar Share purchase performance warrants (the “**Penbar Performance Warrants**”) to be issued to the former holder of performance warrants of Emissions EV entitling the holder thereof to acquire one post-Consolidation Penbar Share at a price of \$0.15 per Penbar Share, subject to the satisfaction of certain performance conditions enumerated in the certificates representing the Penbar Performance Warrants; and (ii) issue 15,500,000 Penbar Share purchase warrants to be issued to the former holders of share purchase warrants of Emissions EV entitling the holders

thereof to acquire one post Consolidation Penbar Share at a price of \$0.02 per share until July 28, 2024.

In connection with the Transaction, it is anticipated that Emissions EV will complete a non-brokered private placement financing (the “**Concurrent Financing**”) of at least 13,333,334 Emissions EV Shares at a price of \$0.15 per Emissions EV Share to raise aggregate gross proceeds of approximately \$2,000,000.00. No finder’s fees, cash commissions and/or broker warrants are expected to be paid and/or issued in relation to the Concurrent Financing.

In connection with the Transaction, the parties agreed that on closing and subject to approval of the TSX Venture Exchange, an arm’s length corporate advisor (the “**Advisor**”), will be paid a merger and acquisition advisory fee of 1,000,000 common shares of the resulting issuer (the “**Resulting Issuer Shares**”). No other fees will be paid.

Assuming the completion of the Transaction and the Concurrent Financing, and that no convertible securities of Penbar are exercised, 83,425,100 Resulting Issuer Shares are expected to be issued and outstanding on the date of closing, of which approximately 2.4% of the Resulting Issuer Shares are anticipated to be held by the current shareholders of the Company, approximately 80.4% are anticipated to be held by the Emissions EV shareholders, approximately 16.0% will be held by the subscribers to the Concurrent Financing, and approximately 1.2% will be held by the Advisor.

The Transaction is an arm’s length transaction and therefore will not require shareholder approval under Policy 2.4 for that reason.

**5.2 Disclosure of Restructuring Transactions**

Not applicable.

**6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not Applicable

**7. Omitted Information:**

Not Applicable

**8. Executive Officer:**

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**9. Date of Report:**

December 5, 2023