

**EARLY WARNING REPORT
FILED PURSUANT TO
NATIONAL INSTRUMENT 62-103**

Item 1 – Security and Reporting Issuer

Must Capital Inc. (the “**Issuer**”)
121 King Street West, Suite 2150
Toronto, Ontario
M5H 3T9

The common shares of the Issuer are currently traded on the NEX Board of the TSX Venture Exchange under the symbol “MUST.H”.

The common shares in the capital of the Issuer (“**Shares**”), being the subject matter of this Early Warning Report, were acquired pursuant to debt conversion agreements with the Issuer.

Item 2 – Identify of the Acquirors

Scharfe Holdings Inc. (“**Scharfe**”)
488-1090 West Georgia Street
Vancouver BC V6E 3V7
Jurisdiction of incorporation: British Columbia
Principal business: Investment vehicle

Pacific West Mercantile Corp. (“**Pacific West**”)
P.O Box 3566 Stn Terminal
Vancouver BC V6B 3Y6
Jurisdiction of incorporation: British Columbia
Principal business: Investment vehicle

2286252 Ontario Inc. (“**228**”)
2955 Harvey Crescent
Mississauga ON L5L 4V9
Jurisdiction of incorporation: Ontario
Principal business: Investment vehicle

2444444 Ontario Inc. (“**244**”)
333 Bay Street, Suite 1770
Toronto ON M5H 2R2
Jurisdiction of incorporation: Ontario
Principal business: Investment vehicle

The acquisition occurred effective July 29, 2019.

Item 3 – Interest in Securities of the Reporting Issuer

Scharfe entered into a debt conversion agreement with the Issuer under which Scharfe agreed to settle \$162,660.19 of indebtedness in exchange for 2,065,526 Shares. Following the transaction, Scharfe and its affiliates beneficially own 3,498,261 Shares, representing approximately 18.00% of the issued and outstanding securities of the Issuer on an undiluted basis. Before the transaction, Scharfe and its affiliates beneficially owned 1,432,725 Shares, representing approximately 10.77% of the issued and outstanding securities of the Issuer on an undiluted basis.

Pacific West entered into a debt conversion agreement with the Issuer under which Pacific West agreed to settle \$151,500.00 of indebtedness in exchange for 1,923,810 Shares. Following the transaction, Pacific West and its affiliates beneficially own 2,479,366 Shares, representing approximately 12.75% of the issued and outstanding securities of the Issuer on an undiluted basis. Before the transaction, Pacific West and its affiliates beneficially owned 555,556 Shares, representing approximately 4.18% of the issued and outstanding securities of the Issuer on an undiluted basis.

228 and 244 share a common control person. 228 entered into a debt conversion agreement with the Issuer under which 228 agreed to settle \$165,100.00 of indebtedness in exchange for 2,096,508 Shares. 244 entered into a debt conversion agreement with the Issuer under which 244 agreed to settle \$4,165.44 of indebtedness in exchange for 52,894 Shares. Following the transactions, 228, 244 and their affiliates beneficially own 3,582,137 Shares, representing approximately 18.43% of the issued and outstanding securities of the Issuer on an undiluted basis. Before the transaction, 228, 244 and their affiliates beneficially owned 1,432,725 Shares, representing approximately 10.77% of the issued and outstanding securities of the Issuer on an undiluted basis.

As a result of the share issuances described above, Cale Thomas (“**Thomas**”), who previously issued an early warning report in connection with his holdings in the Issuer, has fallen below the 10% threshold on a fully-diluted basis. Thomas and his affiliates beneficially own 974,007 Shares and 974,007 common share purchase warrants, representing approximately 5.01% of the issued and outstanding securities of the Issuer on an undiluted basis and 7.76% on a fully-diluted basis.

As a result of the share issuances described above, Jason Meretsky (“**Meretsky**”), who previously issued an early warning report in connection with his holdings in the Issuer, has fallen below the 10% threshold on an undiluted basis. Meretsky and his affiliates beneficially own 1,532,800 Shares and 1,532,800 common share purchase warrants, representing approximately 7.88% of the issued and outstanding securities of the Issuer on an undiluted basis. However, on a fully-diluted basis, Meretsky and his affiliates hold approximately 12.21% of the issued and outstanding securities of the Issuer.

Item 4 – Consideration Paid

Scharfe settled \$162,660.19 of indebtedness in exchange for 2,065,526 Shares at a price of \$0.07875 per Share.

Pacific West settled \$151,500.00 of indebtedness in exchange for 1,923,810 Shares at a price of \$0.07875 per Share.

228 settled \$165,100.00 of indebtedness in exchange for 2,096,508 Shares at a price of \$0.07875 per Share.

244 settled \$4,165.44 of indebtedness in exchange for 52,894 Shares at a price of \$0.07875 per Share.

Item 5 – Purpose of the Transaction

The securities were acquired for investment purposes and each of Scharfe, Pacific West, 228, and 244 may increase or decrease their beneficial ownership or control depending on market or other conditions. They have no present intention to change their holdings of securities of the Issuer.

Item 6 – Agreements, Arrangements, Commitments or Understandings with Respect to Securities of the Reporting Issuer

228 and 244 should be considered joint actors. Pacific West and Scharfe and should not be considered joint actors.

Item 7 – Change in Material Fact

Not applicable.

Item 8 – Exemption

This transaction is exempt from the formal take-over provisions of the *Securities Act* (Ontario) pursuant to section 4.2 of National Instrument 62-104.

Item 9 – Certification

Each of Scharfe, Pacific West, 228, 244, Meretsky, and Thomas hereby certify to the best of their knowledge, information and belief, that the statements made in this report are true and complete in every respect.

July 31, 2019
Date

“Bradley Scharfe”
Signature

Scharfe Holdings Inc.
Name/Title

July 31, 2019
Date

“Mike Marrandino”
Signature

Pacific West Mercantile Corp.
Name/Title

July 31, 2019
Date

“Vikas Ranjan”
Signature

2286252 Ontario Inc.
Name/Title

July 31, 2019

Date

“Vikas Ranjan”

Signature

2444444 Ontario Inc.

Name/Title

July 31, 2019

Date

“Jason Meretsky”

Signature

Jason Meretsky

Name/Title

July 31, 2019

Date

“Cale Thomas”

Signature

Cale Thomas

Name/Title