

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**ITEM 1. NAME AND ADDRESS OF COMPANY**

MG Capital Corporation (the "**Company**")  
#201 - 135 - 10th Ave. S.  
Cranbrook, BC V1C 2N1

**ITEM 2. DATE OF MATERIAL CHANGE**

November 14, 2019

**ITEM 3. NEWS RELEASE**

Issued on November 15, 2019 and distributed through the facilities of Newsfile Corp.

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

The Company and DLP Resources Inc. ("**DLP**") announced the closing of the reverse take-over of the Company by the shareholders of DLP, which constituted the Company's Qualifying Transaction, as defined under TSX Venture Exchange Policy 2.4 – *Capital Pool Companies*.

The Company also announced that the Company's newly appointed board of directors approved the appointment of BDO Canada LLP as auditor of the Company and accepted the resignation of KPMG LLP.

**ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE**

The material change is fully described in the November 15, 2019 news release of the Company attached hereto as Schedule "A".

**ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTION**

Not applicable.

**ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102**

Not applicable.

**ITEM 7. OMITTED INFORMATION**

Not applicable.

**ITEM 8. EXECUTIVE OFFICER**

Contact: Robin Sudo, Chief Financial Officer and Corporate Secretary  
Telephone: 250-426-7808

**ITEM 9. DATE OF REPORT**

November 21, 2019.

**SCHEDULE "A"**  
**NEWS RELEASE**

*[See attached]*

## MG CAPITAL AND DLP RESOURCES ANNOUNCE CLOSING OF QUALIFYING TRANSACTION

Calgary, Alberta, November 15, 2019 – MG Capital Corporation (TSXV: MGX.P) (“MG” or the “Corporation”) and DLP Resources Inc. (“DLP”) are pleased to report that they have closed their previously announced business combination which resulted in a reverse take-over of MG by the shareholders of DLP and which constituted MG’s Qualifying Transaction, as defined under TSX Venture Exchange Policy 2.4 – *Capital Pool Companies* (the “Transaction”). The common shares of MG (the “MG Shares”) are expected to resume trading on the TSX Venture Exchange (the “TSXV”) in the near future at a date to be determined.

The Transaction proceeded by way of a three cornered amalgamation (the “Amalgamation”) pursuant to which DLP amalgamated with 1224395 B.C. Ltd., a wholly-owned subsidiary of MG incorporated under the laws of the Province of British Columbia, and MG acquired all of the issued and outstanding Class A Common Shares of DLP (the “DLP Shares”). The amalgamated entity became a wholly-owned subsidiary of MG and the shareholders of DLP were issued one MG Share in exchange for every one DLP Share held immediately prior to the completion of the Transaction. Each outstanding common share purchase warrant of DLP (each a “DLP Warrant”) was also exchanged for one common share purchase warrant of MG (“MG Warrants”) on the same terms and conditions as the original security.

Upon completion of the Transaction, there are an aggregate of 50,558,131 MG Shares issued and outstanding in the capital of the Corporation, of which the existing shareholders of MG hold approximately 10.9% in the capital of the Corporation, and the former shareholders of DLP hold approximately 89.1% in the capital of the Corporation, respectively.

Additional details immediately following the Transaction are as follows:

- 5,510,000 MG Shares are held by existing MG shareholders;
- 32,000,000 MG Shares are issued to DLP shareholders in exchange for DLP Shares;
- 1,323,131 MG Shares are issued to DLP shareholders in exchange for flow-through common shares of DLP (“DLP FT Shares”) issued at a price of \$0.13 per DLP FT Share;
- 9,800,000 MG Shares and 4,900,000 MG Warrants are issued to DLP shareholders in exchange for units of DLP (“DLP Units”) issued at a price of \$0.10 per DLP Unit. Each MG Warrant entitles the holder thereof to acquire one additional MG Share at an exercise price of \$0.15 per MG Share for a period of 24 months from the closing of DLP’s private placement completed on October 11, 2019 (the “Financing”);
- 1,925,000 MG Shares are issued to Haywood Securities Inc. (“Haywood”) as the finder’s fee payable in connection with the Financing;
- 525,000 MG Warrants (“Unit Finder Warrants”) are issued to Haywood in exchange for DLP Warrants, which is equal to 7.5% of the gross proceeds raised in respect of the Financing and the issuance of DLP Units, divided by \$0.10. Each Unit Finder Warrant entitles Haywood to acquire one MG Share at an exercise price of \$0.10 per MG Share for a period of 24 months from the closing of the Financing; and
- 49,042 MG Warrants (“FT Finder Warrants”) are issued to Haywood in exchange for DLP Warrants, which is equal to 7.5% of the gross proceeds raised in respect of the Financing and the issuance of DLP FT Shares, divided by \$0.13. Each FT Finder Warrant entitles Haywood to acquire one MG Share at an exercise price of \$0.13 per MG Share for a period of 24 months from the closing of the Financing.

Upon completion of the Transaction, all directors and officers of MG have resigned and were replaced by nominees of DLP, as follows (i) James Stypula – Chief Executive Officer and Director; (ii) Robin Sudo – Chief Financial Officer and Corporate Secretary; (iii) William Bennet – Director; and (iv) Richard Zimmer – Director.

In connection with the closing of the Transaction, MG's newly appointed board of directors approved the appointment of BDO Canada LLP as auditor of the Corporation and accepted the resignation of KPMG LLP. KPMG LLP resigned as auditor at MG's request and there were no reservations or modified opinions on any of the Corporation's financial statements since KPMG LLP was appointed as auditor of the Corporation, nor, in the opinion of the Corporation, were there any "reportable events" as defined in National Instrument 51-102 during such period.

Complete details of the terms of the Transaction are set out in the filing statement of MG dated as of October 31, 2019, available on SEDAR under MG's profile at [www.sedar.com](http://www.sedar.com).

Investors are cautioned that, except as disclosed in the filing statement prepared in connection with the Transaction, any information released or received with respect to the proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of MG should be considered highly speculative. The TSXV has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

### **Information Concerning DLP**

DLP is a natural resource company formed under the laws of the Province of British Columbia on June 7, 2019. DLP's principal business activity is in the ownership and management of mining assets in British Columbia, Canada. It owns 100% of an exploration-stage property located northeast of Golden B.C., which is prospective for copper and cobalt. DLP also owns a 100% interest in other exploration-stage properties of merit located in the Cranbrook-Creston corridor, which are of interest due to their lead, zinc and silver potential.

### **Information Concerning MG**

MG exists under the provisions of the *Business Corporations Act* (Alberta) with its registered and head office in Banff, Alberta. Prior to completion of the Transaction, MG was a capital pool company and the Transaction constitutes its "Qualifying Transaction" as such term is defined in the policies of the TSXV. MG is a "reporting issuer" within the meaning of the *Securities Act* (British Columbia) and *Securities Act* (Alberta).

For further information regarding the Transaction, please contact:

MG Capital Corporation  
Robin Sudo  
Chief Financial Officer and Corporate Secretary  
Telephone: 250-426-7808  
Email: [robinsudo@dlpresourcesinc.com](mailto:robinsudo@dlpresourcesinc.com)

*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.*

*The TSXV has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.*

**NEITHER THE TSXV NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSXV) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.**

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:**

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to the receipt of final regulatory approvals and the business and operations of DLP and MG after the Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive regulatory approvals. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, MG and DLP assume no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.