

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

1. **Name and Address of Company**

PesoRama Inc. (the "**Company**")  
217 Queen Street West, Suite 401  
Toronto, ON M5V 0R2

2. **Date of Material Change**

September 28, 2023

3. **News Release**

A press release disclosing the material change was released on September 28, 2023 through the facilities of Newsfile Corp.

4. **Summary of Material Change**

On September 28, 2023, the Company settled an aggregate of \$546,191 of indebtedness owed to certain non-arm's length creditors of the Company through the issuance of an aggregate of 2,482,684 common shares ("**Common Shares**") of the Company at a deemed price of \$0.22 per Common Share (the "**Debt Settlement**").

5. **Full Description of Material Change**

Pursuant to the Debt Settlement, the Company settled an aggregate of \$546,191 of indebtedness owed to certain non-arm's length creditors of the Company through the issuance of an aggregate of 2,482,684 Common Shares.

The Debt Settlement received approved from disinterested shareholders at its annual and special shareholder meeting held on August 8, 2023

All securities issued pursuant to the Debt Settlement will be subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation.

The Debt Settlement constituted a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), as certain officers and directors of the Company received an aggregate of 2,482,684 Common Shares. The following supplementary information is provided in accordance with Section 5.2 of MI 61-101:

**(a) a description of the transaction and its material terms:**

The Company settled an aggregate of \$546,191 of indebtedness owed to certain non-arm's length creditors of the Company through the issuance of an aggregate of 2,482,684 Common Shares.

**(b) the purpose and business reasons for the transaction:**

The completion of the Debt Settlement is designed to improve the financial position of the Company.

(c) **the anticipated effect of the transaction on the issuer's business and affairs:**

The completion of the Debt Settlement is designed to improve the financial position of the Company.

(d) **a description of:**

(i) **the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

In connection with the Debt Settlement, the following securities were issued to an insider of the Company:

<b>Name of Insider</b>	<b>Position</b>	<b>Number of Common Shares</b>	<b>Aggregate Purchase Price</b>
Andrew Parks	Director	95,455	\$21,000.10
Jose (Antonio) Heredia Gonzalez	Director	209,205	\$46,025.10
Abdulmajeed Bawazeer	Officer	272,727	\$59,999.94
Erica Fattore	Officer	378,786	\$83,332.92
Rahim Bhaloo	Officer and Director	1,287,877	\$283,332.94
Paul Pathak	Officer and Director	238,636	\$52,499.92
<b>TOTAL:</b>		<b>2,482,686</b>	<b>\$546,190.92</b>

(ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Prior to closing of the Debt Settlement, Mr. Rahim Bhaloo held, directly or indirectly, an aggregate of 9,416,666 Common Shares and 1,325,000 stock options, representing approximately 10.38% of the issued and outstanding Common Shares on an undiluted basis and approximately 11.68% of the issued and outstanding Common Shares on a partially diluted basis. Upon closing of the Debt Settlement, Mr. Bhaloo holds, directly or indirectly, an aggregate of 10,704,543 Common Shares and 1,325,000 stock options, representing approximately 11.17% of the issued and outstanding Common Shares on an undiluted basis and approximately 12.38% of the issued and outstanding Common Shares on a partially diluted basis.

Prior to closing of the Debt Settlement, Mr. Andrew Parks held, directly or indirectly, an aggregate of 133,333 Common Shares, 133,333 Common Share purchase warrants and 350,000 stock options, representing approximately 0.14% of the issued and outstanding Common Shares on an undiluted basis and approximately 0.67% of the issued and outstanding Common Shares on a partially diluted basis. Upon closing of the Debt Settlement, Mr. Parks holds, directly or indirectly, an aggregate of 228,788 Common Shares, 133,333 Common Share purchase warrants and 350,000 stock options, representing approximately 0.23% of the issued and

outstanding Common Shares on an undiluted basis and approximately 0.73% of the issued and outstanding Common Shares on a partially diluted basis.

Prior to closing of the Debt Settlement, Mr. Antonio Heredia held, directly or indirectly, an aggregate of 2,235,471 Common Shares, 585,471 Common Share purchase warrants and 925,000 stock options, representing approximately 2.39% of the issued and outstanding Common Shares on an undiluted basis and approximately 3.95% of the issued and outstanding Common Shares on a partially diluted basis. Upon closing of the Debt Settlement, Mr. Heredia holds, directly or indirectly, an aggregate of 2,444,676 Common Shares, 585,471 Common Share purchase warrants and 925,000 stock options, representing approximately 2.55% of the issued and outstanding Common Shares on an undiluted basis and approximately 4.06% of the issued and outstanding Common Shares on a partially diluted basis.

Prior to closing of the Debt Settlement, Mr. Abdulmajeed Bawazeer held, directly or indirectly, an aggregate of 547,500 Common Shares and 1,712,500 stock options, representing approximately 0.64% of the issued and outstanding Common Shares on an undiluted basis and approximately 2.44% of the issued and outstanding Common Shares on a partially diluted basis. Upon closing of the Debt Settlement, Mr. Bawazeer holds, directly or indirectly, an aggregate of 820,227 Common Shares and 1,712,500 stock options, representing approximately 0.85% of the issued and outstanding Common Shares on an undiluted basis and approximately 2.59% of the issued and outstanding Common Shares on a partially diluted basis.

Prior to closing of the Debt Settlement, Ms. Erica Fattore held, directly or indirectly, an aggregate of 562,500 Common Shares and 2,937,500 stock options, representing approximately 0.62% of the issued and outstanding Common Shares on an undiluted basis and approximately 3.74% of the issued and outstanding Common Shares on a partially diluted basis. Upon closing of the Debt Settlement, Ms. Fattore holds, directly or indirectly, an aggregate of 941,286 Common Shares and 2,937,500 stock options, representing approximately 0.98% of the issued and outstanding Common Shares on an undiluted basis and approximately 3.82% of the issued and outstanding Common Shares on a partially diluted basis.

Prior to closing of the Debt Settlement, Mr. Paul Pathak held, directly or indirectly, an aggregate of 1,113,000 Common Shares, 720,000 Common Share purchase warrants and 750,000 stock options, representing approximately 1.22% of the issued and outstanding Common Shares on an undiluted basis and approximately 2.08% of the issued and outstanding Common Shares on a partially diluted basis. Upon closing of the Debt Settlement, Mr. Pathak holds, directly or indirectly, an aggregate of 1,351,636 Common Shares, 720,000 Common Share purchase warrants and 750,000 stock options, representing approximately 1.41% of the issued and outstanding Common Shares on an undiluted basis and approximately 2.90% of the issued and outstanding Common Shares on a partially diluted basis.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

A resolution of the board of directors was passed on July 7, 2023, approving the Debt Settlement. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

Shareholders of the Company approved the Debt Settlement at the Company's annual and special shareholder meeting held on August 8, 2023.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the debt conversion agreements, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Debt Settlement. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Debt Settlement.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Debt Settlement constitutes a "related party transaction" as defined in MI 61-101. The Company is relying on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the Company is not listed on a specified market and the fair market value of the Common Shares being issued to insiders in connection with the Debt Settlement does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

For further information, contact Rahim Bhaloo, Executive Chairman of the Company at (416) 816-3291.

9. **Date of Report.**

This report is dated at Toronto, this 5<sup>th</sup> day of October, 2023.

*This material change report contains "forward-looking information" within the meaning of applicable securities laws, including, among other things, statements regarding the Company's Offering and potential secured debt financing. While the Company believes that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements, including due to changes in consumer behaviour, general economic factors, the ability of the Company to execute its strategies, the availability of capital and the risk factors which are discussed in greater detail in the "Risk Factors" section of the Company's prospectus dated January 31, 2022 and filed under the Company's profile on [www.sedar.com](http://www.sedar.com). The statements in this material change report are made as of the date of this material change report. PesoRama undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of PesoRama, its securities, or its financial or operating results (as applicable).*