FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. NAME AND ADDRESS OF COMPANY

Black Swan Graphene Inc. (the "**Company**")
1410 – 120 Adelaide Street West
Toronto, ON M5H 1T1

ITEM 2. DATE OF MATERIAL CHANGE

August 2, 2022

ITEM 3. NEWS RELEASE

Issued on August 2, 2022, and distributed through the facilities of Stockwatch and filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

ITEM 4. SUMMARY OF MATERIAL CHANGE

On August 2, 2022, the Company announced that it has closed its previously announced Qualifying Transaction (as such term is defined in TSX Venture Exchange (the “TSXV”) Policy 2.4 – Capital Pool Companies) with Black Swan Graphene Inc. (“PrivCo”), a private Ontario company, pursuant to the terms of a share exchange agreement dated January 17, 2022 as amended, with PrivCo and the shareholders of PrivCo (the “Transaction”). In connection with the Transaction, the Company changed its name from “Dragonfly Capital Corp.” to “Black Swan Graphene Inc.”

The Transaction was completed by way of share exchange whereby the Company acquired all of the outstanding common shares in the capital of PrivCo (each, a “PrivCo Share”) from the shareholders of PrivCo (collectively, the “PrivCo Shareholders”) in consideration for the issuance of an aggregate 210,230,343 common shares (each, a “Common Share”) in the capital of the Company to the PrivCo Shareholders, at a deemed price of $0.15 per Share. In addition, the 1,225,000 options to purchase PrivCo Shares (each, a “PrivCo Option”) which were outstanding immediately prior to closing of the Transaction were cancelled and the holders thereof were granted an aggregate of 15,175,000 options to purchase Common Shares (each, an “Option”) and 7,875,000 restricted share units (each, a “RSU”) of the Company, under the terms of an omnibus equity incentive plan which was adopted by the board of directors of the Company immediately after closing the Transaction.

In addition, the Company completed a non-brokered financing (the “Subscription Receipt Financing”) of 46,669,665 subscription receipts (the each a “Subscription Receipt”) at a price of $0.15 per Subscription Receipt to raise gross proceeds of $7,000,500. Each Subscription Receipt has been exchanged for one Common Share. The proceeds from the Subscription Receipt Financing are expected to be used for general working capital purposes and to fund the Company’s business objectives and operations.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

See the Company's news release dated August 2, 2022 attached as Schedule "A" hereto.

ITEM 5.2 DISCLOSURE ON 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

Simon Marcotte
President, Chief Executive Officer and Director
Contact: 647-801-7273

ITEM 9. DATE OF REPORT

August 5, 2022

Schedule "A"

News Release dated August 2, 2022

(See attached)

BLACK SWAN GRAPHENE INC.
(formerly, "Dragonfly Capital Corp.")
1410 – 120 Adelaide Street West
Toronto, Ontario, M5H 1T1

Black Swan Graphene Announces Closing of Qualifying Transaction

VANCOUVER, BC – August 2, 2022 – Black Swan Graphene Inc. (formerly, Dragonfly Capital Corp.) (the "**Company**") (TSXV: SWAN) is pleased to announce that it has closed its previously announced Qualifying Transaction (as such term is defined in TSX Venture Exchange (the "**TSXV**") Policy 2.4 – *Capital Pool Companies*) with Black Swan Graphene Inc. ("**PrivCo**"), a private Ontario company, pursuant to the terms of a share exchange agreement dated January 17, 2022 as amended, with PrivCo and the shareholders of PrivCo (the "**Transaction**"). In connection with the Transaction, the Company changed its name from "Dragonfly Capital Corp." to "Black Swan Graphene Inc."

The Transaction was completed by way of share exchange whereby the Company acquired all of the outstanding common shares in the capital of PrivCo (each, a "**PrivCo Share**") from the shareholders of PrivCo (collectively, the "**PrivCo Shareholders**") in consideration for the issuance of an aggregate 210,230,343 common shares (each, a "**Common Share**") in the capital of the Company to the PrivCo Shareholders, at a deemed price of $0.15 per Share. In addition, the 1,225,000 options to purchase PrivCo Shares (each, a "**PrivCo Option**") which were outstanding immediately prior to closing of the Transaction were cancelled and the holders thereof were granted an aggregate of 15,175,000 options to purchase Common Shares (each, an "**Option**") and 7,875,000 restricted share units (each, a "**RSU**") of the Company, under the terms of an omnibus equity incentive plan which was adopted by the board of directors of the Company immediately after closing the Transaction.

Following the closing of the Transaction, the Company has an aggregate of 283,938,008 Common Shares, 15,175,000 Options and 7,875,000 RSUs outstanding.

Subscription Receipt Financing

As previously announced on July 26, 2022, in connection with the Transaction, the Company completed a non-brokered financing (the "**Subscription Receipt Financing**") of 46,669,665 subscription receipts (the each a "**Subscription Receipt**") at a price of $0.15 per Subscription Receipt to raise gross proceeds of $7,000,500. Each Subscription Receipt has been exchanged for one Common Share. The proceeds from the Subscription Receipt Financing are expected to be used for general working capital purposes and to fund the Company's business objectives and operations. Information regarding the Company's business objectives and operations can be found in the Company's Filing Statement dated July 29, 2022, which is available under the Company's profile on SEDAR.

Directors and Officers

Following the completion of the Transaction, the directors and officers of the Company are as follows:

- Simon Marcotte: President, CEO and Director
- Greg Duras: CFO and Corporate Secretary
- Harry Swan: Director and Non-Executive Chairman of the Board

- Peter Damouni: Executive Director
- Michael Edwards: COO and Director
- Paul Hardy: VP Corporate Development
- David Deak: Director
- Roy McDowall: Director

Listing and Trading

The Company is expected to be listed on the TSXV as a Tier 2 Industrial Issuer under the name "Black Swan Graphene Inc." The Common Shares are expected to resume trading on the TSXV under the symbol "SWAN" on or about August 10, 2022.

About Black Swan Graphene Inc.

Black Swan Graphene Inc. is focused on the large-scale production and commercialization of patented high-performance and low-cost graphene products aimed at several industrial sectors, including concrete, polymers, Li-ion batteries, and others, which are expected to require large volumes of graphene and, in turn, require large volumes of graphite. Black Swan aims to leverage the low cost and green hydroelectricity of the province of Québec as well as the proximity of the eventual production sites of Mason Graphite in order to establish a fully integrated supply chain, reduce overall costs, and accelerate the deployment of graphene usage.

For more information, please visit: www.blackswangraphene.com

Additional Information

Additional information regarding the Company and the Transaction can be found in the Company's Filing Statement dated July 29, 2022, which is available under the Company's profile on SEDAR.

Contact Information

For more information please contact:

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Vice President, Corporate Development
phardy@blackswangraphene.com; (416) 844-7365

Disclaimer for Forward-Looking Information

Certain statements in this press release are forward-looking statements, which reflect the expectations of management following the completion of the Transaction and related transactions. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future, including but not limited to, the listing and trading of the Common Shares and the Company's business objectives and operations. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including risks related to factors beyond the control of the Company. The novel strain of coronavirus, COVID-19, and the ongoing military conflict between the sovereign state of Ukraine and Russia also pose new risks that are currently indescribable and *immeasurable. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.*

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