

FORM 51-102F3

MATERIAL CHANGE REPORT

ITEM 1 - Name and Address of Company

Kraken Robotics Inc. (the "**Company**")
430 Water Street, Suite 100
St. John's, NL, A1C 1E2

ITEM 2 - Date of Material Change

December 3, 2018.

ITEM 3 - News Release

A press release was issued through GlobeNewswire on December 3, 2018.

ITEM 4 - Summary of Material Changes

The Company announced that it had entered into a "bought deal" financing of common shares for gross proceeds of \$6,000,000.

ITEM 5 - Full Description of Material Change

5.1 – Full Description of Material Change

The Company announced that it had entered into an engagement agreement with Clarus Securities Inc. as lead underwriter, on behalf of a syndicate of underwriters, (collectively, the "**Underwriters**") pursuant to which the Underwriters have agreed to purchase, on a "bought deal" basis, 15,000,000 common shares of the Company ("**Common Shares**") at a price of \$0.40 per Common Share (the "**Issue Price**") for aggregate gross proceeds to the Company of \$6,000,000 (the "**Offering**").

The Company has also agreed to grant the Underwriters an over-allotment option to purchase an additional 2,250,000 Common Shares at the Issue Price, exercisable in whole or in part, for a period ending 30 days from and including the closing of the Offering. In the event the over-allotment option is exercised in full, the aggregate gross proceeds of the Offering will be \$6,900,000.

5.2- Disclosure for Restructuring Transactions

Not Applicable.

ITEM 6 - Reliance of subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

ITEM 7 - Omitted Information

Not applicable.

ITEM 8 - Executive Officer

The name and business number of an executive officer of the Company who is knowledgeable about the material change and this report is:

Greg Reid
Chief Financial Officer
T: (416) 818-9822

ITEM 9 - Date of Report

December 3, 2018.