

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Le Château Inc. (the “**Company**” or “**Le Château**”)
5695 Ferrier Street
Mount-Royal, Québec
H4P 1N1

Item 2 Date of Material Change

June 25, 2021.

Item 3 News Release

A press release describing the material change was disseminated by Le Château on June 25, 2021 via the facilities of a recognized news services and can be found under the Company’s SEDAR profile at www.sedar.com.

Item 4 Summary of Material Change

On June 25, 2021, Le Château announced that, in connection with its creditor protection proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and its previously announced sales solicitation process, the Company and its subsidiary, Château Stores Inc., received authorization from the Québec Superior Court (Commercial Division) (the “**Court**”), on June 22, 2021, to complete the sale of all of their intellectual property as well as certain other assets to Suzy’s Inc. (“**Suzy’s**”) pursuant to an asset purchase agreement (the “**APA**”) entered into between the Company, Château Stores Inc. and Suzy’s on June 18, 2021 (the “**Transaction**”). Consequently, the Company and Château Stores Inc. completed the Transaction on June 25, 2021.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On June 25, 2021, Le Château announced that, in connection with its creditor protection proceedings under the CCAA and its previously announced sales solicitation process, the Company and its subsidiary, Château Stores Inc., received authorization from the Court, on June 22, 2021, to complete the sale of all of their intellectual property as well as certain other assets to Suzy’s pursuant to an APA entered into between the Company, Château Stores Inc. and Suzy’s on June 18, 2021. Consequently, the Company and Château Stores Inc. completed the Transaction on June 25, 2021.

The net proceeds from the Transaction are being reported upon by the Court-appointed monitor, PricewaterhouseCoopers LLP (the “**Monitor**”), and will be utilized or released pursuant to current orders of the Court and such further orders of the Court as may be granted from time to time.

Following completion of the Transaction, all of the directors and executive officers of Le Château and Château Stores Inc. have resigned effective upon closing.

A copy of the APA is available on the Company’s SEDAR profile at www.sedar.ca and is also available, along with additional information respecting the CCAA proceedings, on the website of the Monitor at <https://www.pwc.com/ca/en/services/insolvency-assignments/le-chateau.html>. Readers are urged to consult the full text of all documents available on the Company’s SEDAR profile and the Monitor’s website for further information.

5.2 Disclosure for Restructuring Transactions

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

Inquiries regarding the material change and this report may be directed to:

Johnny Del Ciano, CPA, CA
Vice-President, Finance
(514) 738-7000

Item 9 Date of Report

June 25, 2021.