

FORM 51-102F3

Material Change Report

1. Name and Address of Company:

Labrador Technologies Inc. (the "Corporation")
3400 - 350 7th Avenue SW
Calgary, Alberta
T2P 3N9

2. Date of Material Change:

April 25, 2022

3. News Release:

April 5, 2022

4. Summary of Material Change:

The Corporation announced that it has entered into a letter of intent ("LOI") dated April 4, 2022 with Kasten Energy Inc. pertaining to the proposed acquisition of a 51% working interest in oil and gas properties in the Atlee area of Alberta (the "Acquisition"). The Acquisition constitutes an arms' length transaction as defined in the policies of the TSX Venture Exchange ("TSXV") and is a Change of Business (as such term is defined in the policies of the TSXV) for the Corporation.

The LOI, entered into on April 4, 2022, contemplates that the Acquisition will be completed pursuant to definitive agreements (the "Definitive Agreements") that will incorporate the terms of the LOI and be completed and executed between the Corporation and the Vendor as soon as possible. The LOI contains the following provisions:

- 1) the purchase price shall be \$782,000 (the "Purchase Price");
- 2) the effective date of the Acquisition shall be March 31, 2022;
- 3) a deposit of \$25,000 will be payable contemporaneously with signing of the Definitive Agreements and a further deposit of \$175,000 will be payable upon the approval of the TSXV
- 4) (collectively, the "Deposit"); and
- 5) the balance of the Purchase Price, being \$582,000, will be paid by the Corporation to the Vendor at closing in the following manner:
 - a) the Vendor will be issued 7,000,000 common shares of the Corporation at a price of
 - b) \$0.05 per common share for total consideration of \$350,000; and
 - c) the Vendor will be issued a promissory note ("Promissory Note"), secured by a general security agreement, in the amount of \$232,000. The Promissory Note will be repayable two (2) years after the date of issue and shall bear interest at a rate of seven percent (7%) per annum.

In addition, on the closing of the Acquisition, the Vendor will be entitled to nominate one (1) director to the board of directors of Labrador.

In connection with the Acquisition, the Corporation intends to complete a private placement of common shares at a price of \$0.045 per common share for gross proceeds of up to \$200,000

(the “PP”) and a private placement of “flow-through” common shares at a price of \$0.05 per flow-through common share for gross proceeds of up to \$5,000,000 (the “Flow-Through PP”) (together, the “Concurrent Financings”) (collectively, the Acquisition and the Concurrent Financings are referred to as the “Transactions”)

The Corporation also announces that it plans to enter into a credit facility (the “Credit Facility”) with KSS Capital Partners Inc. (the “Lender”) in the amount of \$500,000. The Credit Facility also constitutes an arms' length transaction.

5. Full Description of Material Change:

See press release attached as Schedule “A” hereto.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 Continuous Disclosure Obligations:

Not Applicable

7. Omitted Information:

Not Applicable

8. Executive Officer Knowledgeable of Material Change:

Kaan Camlioglu

Telephone: (403) 818 1091, E Mail: kcamlioglu@icloud.com

9. Date of Report:

April 25, 2022

Schedule "A"

LABRADOR TECHNOLOGIES INC. ANNOUNCES PROPOSED OIL AND GAS PROPERTY ACQUISITION, PRIVATE PLACEMENTS AND CREDIT FACILITY

Calgary, Alberta, April 5, 2022: Labrador Technologies Inc. (the "**Corporation**" or "**Labrador**") (TSXV – "**LTX**") is pleased to announce that it has entered into a letter of intent ("**LOI**") dated April 4, 2022 with Kasten Energy Inc. (the "**Vendor**") pertaining to the proposed acquisition of a 51% working interest in oil and gas properties in the Atlee area of Alberta (the "**Acquisition**"). The Acquisition constitutes an arms' length transaction as defined in the policies of the TSX Venture Exchange ("**TSXV**") and is a Change of Business (as such term is defined in the policies of the TSXV) for Labrador.

In connection with the Acquisition, Labrador intends to complete a private placement of common shares at a price of \$0.045 per common share for gross proceeds of up to \$200,000 (the "**PP**") and a private placement of "flow-through" common shares at a price of \$0.05 per flow-through common share for gross proceeds of up to \$5,000,000 (the "**Flow-Through PP**") (together, the "**Concurrent Financings**") (collectively, the Acquisition and the Concurrent Financings are referred to as the "**Transactions**"). The PP is being completed to provide the Corporation with unallocated working capital while the Flow-Through PP is being completed to provide capital to the Corporation to advance opportunities within the oil and gas business.

The Corporation also announces that it plans to enter into a credit facility (the "**Credit Facility**") with KSS Capital Partners Inc. (the "**Lender**") in the amount of \$500,000. The Credit Facility also constitutes an arms' length transaction. Advances made pursuant to the Credit Facility will provide immediate working capital to fund current outstanding payables, to fund the costs of holding the Special Meeting (as defined below) and fund the costs of preparing an engineering evaluation of the oil and gas property that is the subject of the Acquisition. Additionally, the Credit Facility will provide the funds necessary for the Corporation to pursue the Transactions and to repay certain longstanding payables of the Corporation (see "Credit Facility" below). Certain advances under the Credit Facility will be required, and made, before the Acquisition and the Concurrent Financings can be closed.

Details of the Acquisition

The LOI, entered into on April 4, 2022, contemplates that the Acquisition will be completed pursuant to definitive agreements (the "**Definitive Agreements**") that will incorporate the terms of the LOI and be completed and executed between the Corporation and the Vendor as soon as possible. The LOI contains the following provisions:

- 1) the purchase price shall be \$782,000 (the "**Purchase Price**");
- 2) the effective date of the Acquisition shall be March 31, 2022;
- 2) a deposit of \$25,000 will be payable contemporaneously with signing of the Definitive Agreements and a further deposit of \$175,000 will be payable upon the approval of the TSXV (collectively, the "**Deposit**"); and
- 3) the balance of the Purchase Price, being \$582,000, will be paid by the Corporation to the Vendor at closing in the following manner:

- (a) the Vendor will be issued 7,000,000 common shares of the Corporation at a price of \$0.05 per common share for total consideration of \$350,000; and
- (b) the Vendor will be issued a promissory note ("**Promissory Note**"), secured by a general security agreement, in the amount of \$232,000. The Promissory Note will be repayable two (2) years after the date of issue and shall bear interest at a rate of seven percent (7%) per annum.

In addition, on the closing of the Acquisition, the Vendor will be entitled to nominate one (1) director to the board of directors of Labrador.

Information Circular and Engineering Evaluation

Closing of the Acquisition and the Concurrent Financings remain subject to regulatory approvals including that of the TSXV. Closing may also be subject to approval of the shareholders of the Corporation (collectively, the "**Approvals**") insofar as completion of the Transactions will constitute a "change of business" of the Corporation. In order to procure those approvals, the Corporation has commissioned an evaluation of the property that is the subject of the Acquisition. The evaluation was performed by Boury and Associates (the "**Boury Report**") and is compliant with National Instrument 51-101. The Boury Report formed the basis for negotiating the purchase price of \$782,000. The Boury Report included a price forecast that was effective as at December 31, 2021. In light of the substantial increase in oil and natural gas prices experienced during Q1 of 2022, the Corporation has chosen to re-run the Boury Report with an effective date of March 31, 2022 which will result in the use of an increased price forecast (the "**Revised Boury Report**"). The parties have agreed that the Revised Boury Report will not affect the Purchase Price.

Detailed Property Information

The Corporation intends to provide more detailed information pertaining to the oil and gas property that is the subject of the Acquisition upon receipt of the Revised Boury Report and signing of the Definitive Agreements.

Shareholder Approval

If required by the TSXV, upon receipt of the Revised Boury Report, the Corporation intends to commence the preparation of an information circular (the "**Information Circular**") which will be submitted to the TSXV for approval in accordance with TSXV policies. Upon having obtained such TSXV approval, the Corporation intends to call and hold a special shareholder meeting to seek approval for the Transactions if required (the "**Special Meeting**").

Business Rationale

Management of the Corporation, together with the Board, have been pursuing business opportunities in various business sectors since terminating the proposed RTO transaction with Claritas HealthTech Pte. Ltd. effective July 16, 2021 (see the Corporation's press releases dated December 21, 2021 and July 16, 2021). In light of the significant increase in prices for commodities, especially oil and gas, management is of the view that significant funding will be available to the Corporation in the oil and gas sector going forward. Completing the Transactions and the Concurrent Financings will be the first step in transitioning the Corporation into an oil and gas exploration and production company.

Credit Facility

The Credit Facility will provide sufficient funds, on an immediate basis, to fund the steps required to complete the Corporation's transition into an oil and gas exploration and production company including completing the Acquisition and the Concurrent Financings. Specifically it provides:

- 1) an immediate cash injection in the amount of \$50,000 to fund currently outstanding payables that are critical to moving forward as a going concern, to fund the cost of the engineering evaluation and to fund the costs of the Special Meeting;
- 2) an immediate further cash injection in the amount of \$200,000 to fund the Deposit of which \$25,000 must be provided contemporaneously with entering into the Definitive Agreements in respect to the Acquisition and the remaining \$175,000 upon TSXV approval; and
- 3) funding to pay a substantial portion of the Corporation's working capital deficit which was \$368,723 as at January 31, 2022. Transitioning outstanding payables that form the majority of the working capital deficit into long term obligations under the Credit Facility will remove uncertainty regarding the Corporation's ability to meet its obligations.

The Credit Facility contains the following provisions:

- 1) funds advanced under the Credit Facility will be payable two (2) years from the date of the first advance and be secured by a general security agreement;
- 2) it will accrue interest at a rate of 7% per annum; and
- 3) it will be subordinated to the Promissory Note and general security agreement being granted to the Vendor in respect of the Acquisition.

Special Meeting of Shareholders

The Corporation will call the Special Meeting only if shareholder approval is required and after it has received approval from the TSXV for the form and content of the Information Circular pertaining to the Special Meeting, all in accordance with the policies of the TSXV. The Corporation anticipates that calling of the Special Meeting will occur during May, 2022 with the Special Meeting date to be approximately 60 days thereafter.

Name Change

Should the resolution approving the Transactions be approved, it will be appropriate to change the name of the Corporation to be more reflective of its business activities. Therefore, a special resolution approving a change of name of the Corporation to Labrador Resources Inc., or such similar name as is determined by the Board, will also be included in the Information Circular pertaining to the Special Meeting.

Further Information

The Corporation anticipates providing further information pertaining to the oil and gas property that forms the Acquisition, including the results of the Revised Boury Report, in subsequent press releases as the detailed information becomes available.

Trading Halt

Trading in the common shares of the Corporation has been halted and may remain halted pending the review of the Transactions by the TSXV. There can be no assurance that trading in the Labrador common shares will resume prior to the completion of the Transactions.

Cautionary Note

Completion of the Transactions is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transactions cannot close until the required shareholder approval is obtained. There can be no assurance that the Transactions will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transactions, any information released or received with respect to the Transactions may not be accurate or complete and should not be relied upon. Trading in the securities of the Corporation should be considered highly speculative. The TSXV has in no way passed upon the merits of the proposed Transactions and has neither approved nor disapproved the contents of this news release. In addition to the above, the proposed Transactions are subject to a number of further conditions, including but not limited to: (a) closing conditions customary to transactions of the nature of the proposed Transactions; (b) approvals of regulatory bodies having jurisdiction in connection with the proposed Transactions including the TSXV; and (c) shareholder approval if required.

Forward Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to statements pertaining to the Corporation's ability to meet its current and future obligations, its ability to complete the Transactions and its ability to obtain TSXV approval and, if required, shareholder approval.

Forward-looking statements are necessarily based upon a number of 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. Accordingly, readers should not place undue reliance on forward-looking statements. Labrador 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Not for Release in the United States of America

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