

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

**Item 1 Name and Address of the Company**

Willow Biosciences Inc. ("**Willow**" or the "**Company**")  
202, 1201 - 5th Street SW  
Calgary, AB T2R 0Y6

**Item 2 Date of Material Change**

May 7, 2025 and May 8, 2025

**Item 3 News Release**

The Company issued press releases announcing the material changes described herein on May 7, 2025 and May 8, 2025, each of which were disseminated through the facilities of a recognized newswire service and subsequently filed by Willow under its corporate profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Item 4 Summary of Material Change**

On May 7, 2025, the Company announced the execution of a definitive reorganization and investment agreement (as may be subsequently amended, supplemented or otherwise modified, the "**Agreement**") with Mark Hodgson, Don Kornelsen, Ryan Giroux, Blair Anderson and Richard Naden (the "**Initial Investors**"), which provides for: (i) a non-brokered equity private placement for gross proceeds of \$30.0 million (the "**Private Placement**"); (ii) the appointment of a new executive team (the "**New Executive Team**") and the reconstitution of the board of directors (the "**New Board**") of the Company; and (iii) a change of the Company's name to "Atlas Energy Corp." (the "**Name Change**") (collectively, the "**Transaction**").

On May 8, 2025, the Company announced that it received firm commitments to purchase an aggregate of \$30.0 million of equity securities pursuant to the Private Placement.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

On May 7, 2025, the Company announced that it had entered into the Agreement with the Initial Investors, which, among other things, provides for: (i) the Private Placement; (ii) the appointment of the New Executive Team and New Board; and (iii) the Name Change.

The shareholders of the Company will be asked to approve, at a special meeting called for such purpose (the "**Meeting**"), among other things, a consolidation of the common shares of the Company (the "**Common Shares**") on the basis of one post-consolidation Common Share for every five pre-consolidation Common Shares (the "**Consolidation**") to satisfy the pricing requirements of the TSX Venture Exchange (the "**TSXV**") in connection with the proposed listing on the TSXV. The completion of the Transaction is expected to occur on or about June 19, 2025 (the "**Closing**"), subject to certain closing conditions, including the approval of the TSXV and the completion of the Consolidation. Following Closing, the Common Shares are expected to trade on the TSXV on a post-Consolidation basis under the name "Atlas Energy Corp." and new stock symbol "ATLE". The Common Shares will be delisted from the Toronto Stock Exchange concurrent with Closing.

On May 8, 2025, the Company also announced that: (i) firm commitments had been received for the full amount of the Private Placement, and (ii) the Meeting will be held on June 16, 2025. Additional information concerning the Meeting will be disclosed in the management information circular which will be filed with Canadian securities regulators and will be available on the SEDAR+ profile of the Company at [www.sedarplus.ca](http://www.sedarplus.ca).

Following listing on the TSXV pursuant to the TSXV Sandbox program, the Company will be an international upstream royalty and streaming company.

#### *New Executive Team and Board of Directors*

The New Executive Team will be led by Mark Hodgson as President and Chief Executive Officer, Travis Doupe as Chief Financial Officer, Don Kornelsen as Vice President, Commercial, Ryan Giroux as Vice President, Corporate Development and Blair Anderson as Vice President, Geoscience of the Company and Richard Naden as a Senior Executive. The New Board will be comprised of Mark Hodgson, Richard F. McHardy, Gary Brown, Glenn McNamara and Scott Price.

#### *Corporate Strategy*

Upon completion of the Transaction, the recapitalized Company is expected to have a net cash position of approximately \$30.0 million. Following listing on the TSXV pursuant to the TSXV Sandbox program, the New Executive Team intends to reposition the Company as a dedicated international upstream royalty and streaming company, focused on the identification, acquisition, management and monetization of a diversified portfolio of international upstream oil and gas royalty and streaming transactions. The Company will also evaluate royalty and streaming opportunities in the North American market should such opportunities become available at similar attractive metrics.

#### *Private Placement*

Pursuant to the Private Placement, the Initial Investors, together with additional subscribers identified by the Initial Investors, will subscribe for 3.0 billion Common Shares and units (the "**Units**") of the Company at a price of \$0.01 per Common Share and Unit, as applicable, on a pre-Consolidation basis, for aggregate gross proceeds of \$30.0 million.

Units will be issued to subscribers that are members of the New Executive Team and the New Board, together with certain additional subscribers identified by such persons. Common Shares will be issued to all other subscribers.

Each Unit shall be comprised of one Common Share and one Common Share purchase warrant (each, a "**Warrant**"). Each Warrant will entitle the holder to purchase one Common Share at a price of \$0.01 (the "**Exercise Price**") (on a pre-Consolidation basis) for a period of five years. The Warrants will vest and become exercisable as to one third upon the 10-day weighted average trading price of the Common Shares (the "**Market Price**") equaling or exceeding 50% above the Exercise Price, an additional one-third upon the Market Price equaling or exceeding 75% above the Exercise Price and a final one-third upon the Market Price equaling or exceeding 100% above the Exercise Price.

Proceeds from the Private Placement will be used to fund future acquisition opportunities and for general working capital purposes. The Company may pay fees to certain advisory firms that assist in the placement of the Private Placement.

The Private Placement will not result in the creation of a new "control person", as such term is defined by the policies of the TSXV.

### TSXV Sandbox Program

The Company has made an application to list as a Tier 2 Investment Issuer under the TSXV Sandbox program, subject to TSXV approval.

Upon the completion of the Transaction, the Company will not meet certain of the original listing requirements of the TSXV set out in Policy 2.1 - Initial Listing Requirements. As such, the Company has requested that the TSXV exercise its discretion, subject to the completion of the Private Placement, to waive certain original listing requirements for listing pursuant to the TSXV Sandbox. The Company's proposed TSXV Sandbox listing application remains subject to TSXV approval.

The Company has applied to the TSXV for a waiver from the sponsorship requirements under Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the TSXV's Corporate Finance Manual. The Company's waiver request remains subject to TSXV approval.

### Completion of the Transaction

The resignation of the current board of directors and executive team of the Company (other than Travis Doupe, who will continue as Chief Financial Officer), the appointment of the New Executive Team and New Board, the Name Change and the Consolidation will occur contemporaneous with the Closing of the Private Placement.

Completion of the Transaction is subject to a number of conditions and approvals including, but not limited to, the approval of the TSXV and the completion of the Consolidation.

The Company has committed to seek shareholder approval of the Consolidation at the Meeting, and, subject to receiving shareholder approval, to effect the Consolidation concurrent with Closing. At the Meeting, shareholders will also be asked to consider a resolution authorizing the New Board, at its discretion, to proceed with a potential further consolidation of the Common Shares during the twelve months following Closing on the basis of one post-consolidation Common Share for up to every 40 pre-consolidation Common Shares to promote increased liquidity and reduced volatility in the trading of the Common Shares.

No fractional shares will be issued. Any fractional interest in a post-Consolidation Common Share that is less than 0.5 resulting from the Consolidation will be rounded down to the nearest whole Common Share and any fractional interest in a post-Consolidation Common Share that is 0.5 or greater will be rounded up to the nearest whole Common Share.

### Board of Directors' Recommendation

The current board of directors of the Company has unanimously approved the Transaction and the Consolidation and determined that the Transaction and the Consolidation are in the best interests of the Company and its shareholders.

The board of directors recommends that the Company's shareholders vote in favour of the Consolidation at the Meeting.

### Advisors

National Bank Financial Inc. and DeltaCap Partners Inc. acted as co-financial advisors to the New Executive Team in connection with the Transaction. Stikeman Elliott LLP is acting as counsel to the Initial Investors and will act as counsel to the recapitalized Company upon completion of the Transaction.

## **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**

For further information, please contact Travis Doupe, Interim Chief Executive Officer and Chief Financial Officer of the Company, by email at [info@willowbio.com](mailto:info@willowbio.com).

### **Item 9 Date of Report**

May 26, 2025

## ***Forward-Looking Statements***

This material change report contains forward-looking statements and forward-looking information (collectively, "forward-looking information") within the meaning of applicable Canadian securities legislation. Forward-looking information is typically identified by words such as "expect," "anticipate," "continue," "estimate," "objective," "ongoing," "may," "will," "project," "should," "believe," "plans," "intends," or similar expressions suggesting future outcomes or events. More particularly and without limitation, this material change report contains forward looking statements and information concerning: the Transaction, including the size, terms and completion of the Private Placement and the expected composition of the New Executive Team and the New Board; the application to the TSXV in respect of the Transaction; the timing and ability of the Company to commence trading on the TSXV (if at all); and the business and operations of the Company; the completion, ratio and timing of the Consolidation; the recapitalized Company's corporate strategy; the financial performance of the recapitalized Company; and other anticipated benefits of the Transaction.

The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning the Transaction, the Consolidation, the TSXV and regulatory approvals, the satisfaction of other closing conditions in accordance with the terms of the Agreement and the ability of the New Executive Team to implement the corporate strategy of the recapitalized Company. Although the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because the Company can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed.

These risks and uncertainties, include, but are not limited to, the parties being unable to obtain the required TSXV approvals, fluctuations in commodity prices, changes in industry regulations and political landscape both domestically and abroad, foreign exchange or interest rates, stock market volatility, the imposition or expansion of tariffs imposed by domestic and foreign governments or the imposition of other restrictive trade measures, retaliatory or countermeasures implemented by such governments, including the introduction of regulatory barriers to trade and the potential effect on the demand and/or market price for the oil and gas production and/or otherwise adversely affects the Company, the availability of investment

opportunities meeting the New Executive Team's investment criteria, the retention of key management and employees and obtaining required approvals of regulatory authorities. The foregoing list is not exhaustive. Please refer to the Company's most recent annual information form and management's discussion and analysis for additional risk factors relating to Willow, which can be accessed either on Willow's website at [www.willowbio.com](http://www.willowbio.com) or under the Company's profile on [www.sedarplus.ca](http://www.sedarplus.ca).

Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. The Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

#### **FOFI Disclosure**

This material change report contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about the recapitalized Company's prospective financial condition, results of operations, investments and components thereof following completion of the Transaction including information on net cash position, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this material change report was approved by management as of the date of this material change report and was provided for the purpose of providing further information about the recapitalized Company's anticipated future business operations. The Company disclaims any intention or obligation to update or revise any FOFI contained in this material change report, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this material change report should not be used for purposes other than for which it is disclosed herein. All FOFI contained in this material change report complies with the requirements of Canadian securities legislation.

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.