

MEDWELL CAPITAL CORP.
Form 51-102F3
Material Change Report
FILED PURSUANT TO NATIONAL INSTRUMENT 51-102

Item 1 Name and Address of Company

Medwell Capital Corp. ("**Medwell**")
6030 – 88th Street
Edmonton, Alberta T6E 6G4

Item 2 Date of Material Change

August 2, 2012.

Item 3 News Release

The press release attached hereto as Appendix "A" was issued by Medwell Capital Corp. ("**Medwell**") through CNW Group and also filed on SEDAR at www.sedar.com on August 2, 2012.

Item 4 Summary of Material Change

Medwell announced its intention to complete a non-brokered private placement (the "Private Placement") to raise up to \$4,250,000. Investors will include three limited partnerships managed by Birch Hill Equity Partners Management Inc. ("Birch Hill"), Medwell insiders and other investors.

Item 5 Full Description of Material Change

The Private Placement is conditional upon a number of factors including the completion of a consolidation (the "Consolidation") of the Company's common shares on the basis of one post-Consolidation common share for every 20 pre-Consolidation common shares. The subscription price will be \$1.60 per post-Consolidation common share. Birch Hill Equity Partners IV, LP, Birch Hill Equity Partners (US) IV, LP and Birch Hill Equity Partners (Entrepreneurs) IV, LP (collectively the "LPs") have entered into a subscription agreement dated August 2, 2012 (the "Subscription Agreement") to subscribe for an aggregate of 2,343,750 post-Consolidation common shares for gross proceeds of \$3,750,000. Birch Hill, as general partner of each of the LPs, currently controls or directs 18,124,400 pre-Consolidation common shares (906,220 post-Consolidation common shares) representing approximately 19.9% of the Company's currently issued and outstanding common shares. Assuming completion of the entire Private Placement and the Consolidation, Birch Hill will control or direct 3,249,970 post-Consolidation common shares representing approximately 45.09% of the then issued and outstanding post-Consolidation common shares.

The remaining 312,500 post-Consolidation common shares comprising the Private Placement will be purchased as to 137,500 post-Consolidation common shares by certain insiders of the Company and as to 175,000 post-Consolidation common shares by non-insiders.

The subscription by the LP's and insiders for post-Consolidation common shares pursuant to the Private Placement constitutes a "related party transaction" pursuant to the provisions of Multilateral Instrument 61-101 ("MI 61-101"), and requires minority shareholder approval, which will be sought at the Company's annual general and special meeting scheduled to be held on

August 29, 2012. The minority shareholder approval requirements in MI 61-101 exclude any interested party or a related party of an interested party, or joint actors thereof from voting any common shares beneficially owned or over which control or direction is exercised by them.

The Company is relying on the exemption contained in subsection 5.5(b) of MI 61-101 to provide a formal valuation in connection with the Private Placement on the basis that none of its securities are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Exchange, or a stock exchange outside of Canada and the United States, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Pursuant to the policies of the TSX Venture Exchange (the "TSVX"), as the subscription for post-Consolidation common shares by the LPs pursuant to the Private Placement will result in the LPs owning more than 20% of the issued and outstanding common shares of the Company, disinterested shareholder approval is also required, however, the TSXV requirement for disinterested shareholder approval will be met if minority shareholder approval is obtained pursuant to MI 61-101.

Shareholder approval for the Consolidation will also be sought at the Company's upcoming annual general and special meeting and requires approval by way of special resolution of not less than two-thirds (2/3) of the votes cast at the meeting in person or by proxy.

Pursuant to the Subscription Agreement, in addition to completion of the Consolidation, closing is also conditional upon the following:

- Medwell entering into a reorganization plan (the "Reorganization"). The Reorganization contemplates that the Company's current management staff, investment portfolio, associated obligations and \$6.4 million in working and investment capital will be transferred into a limited partnership structure (of which Medwell will own 100% of the issued shares of the general partner, and Medwell and the general partner will own 100% of the issued limited partnership units), and that 2 of the elected 5 board members of Medwell will resign and be replaced by 2 nominees of Birch Hill.
- the LPs being satisfied, in their sole discretion, that, following completion of the Private Placement, they will hold less than 50% of the issued and outstanding post-Consolidation common shares;
- all approvals, consents and authorizations necessary for the consummation of the transactions contemplated by the Subscription Agreement shall have been obtained by the Company and the LPs;
- the Company shall have completed the sale of the remaining 312,500 post-Consolidation common shares forming part of the Private Placement; and
- such other conditions as are standard in transactions of this nature.

The Private Placement and Consolidation are subject to acceptance for filing by the TSXV.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

This material change report is not being filed on a confidential basis.

Item 7 Omitted Information

None.

Item 8 Executive Officer

Further information regarding the matters described in this report may be obtained from Kevin Giese, Chief Executive Officer, who is knowledgeable about the details of the material change and may be contacted at (780) 413-7152.

Item 9 Date of Report

August 2, 2012

MEDWELL CAPITAL CORP.

By: *"Kevin Giese"*

Kevin Giese

Chief Executive Officer



MEDWELL CAPITAL ANNOUNCES PRIVATE PLACEMENT LED BY BIRCH HILL EQUITY PARTNERS, TOGETHER WITH A SHARE CONSOLIDATION AND REORGANIZATION

Edmonton, Alberta, August 2, 2012 – Medwell Capital Corp. ("Medwell" or the "Company") (TSX-V: MWC) today announced its intention to complete a non-brokered private placement (the "Private Placement") to raise up to \$4,250,000. Investors will include three limited partnerships managed by Birch Hill Equity Partners Management Inc. ("Birch Hill"), Medwell insiders and other investors.

"We are very pleased to have Birch Hill, as one of the leading mid-market fund managers in Canada, participate in this financing of the Company", said Kevin Giese, President and CEO of Medwell. "We believe Birch Hill will be a great strategic partner for Medwell as it looks for new opportunities in various sectors, and that the contemplated financing and reorganization will better position Medwell to take advantage of those opportunities in the future."

Terms of the Private Placement

The Private Placement is conditional upon a number of factors including the completion of a consolidation (the "Consolidation") of the Company's common shares on the basis of one post-Consolidation common share for every 20 pre-Consolidation common shares. The subscription price will be \$1.60 per post-Consolidation common share. Birch Hill Equity Partners IV, LP, Birch Hill Equity Partners (US) IV, LP and Birch Hill Equity Partners (Entrepreneurs) IV, LP (collectively the "LPs") have entered into a subscription agreement dated August 2, 2012 (the "Subscription Agreement") to subscribe for an aggregate of 2,343,750 post-Consolidation common shares for gross proceeds of \$3,750,000. Birch Hill, as general partner of each of the LPs, currently controls or directs 18,124,400 pre-Consolidation common shares (906,220 post-Consolidation common shares) representing approximately 19.9% of the Company's currently issued and outstanding common shares. Assuming completion of the entire Private Placement and the Consolidation, Birch Hill will control or direct 3,249,970 post-Consolidation common shares representing approximately 45.09% of the then issued and outstanding post-Consolidation common shares.

The remaining 312,500 post-Consolidation common shares comprising the Private Placement will be purchased as to 137,500 post-Consolidation common shares by certain insiders of the Company and as to 175,000 post-Consolidation common shares by non-insiders.

The last closing price of the Company's common shares prior to the date of this press release was \$0.06, and, accordingly, the subscription price of \$1.60 per post-Consolidation common share, when divided by the Consolidation ratio of 20:1, represents a premium of 33% over the last closing price.

The subscription by the LP's and insiders for post-Consolidation common shares pursuant to the Private Placement constitutes a "related party transaction" pursuant to the provisions of Multilateral Instrument 61-101 ("MI 61-101"), and requires minority shareholder approval, which will be sought at the Company's annual general and special meeting scheduled to be held on August 29, 2012. The minority shareholder approval requirements in MI 61-101 exclude any interested party or a related party of an interested party, or joint actors thereof from voting any common shares beneficially owned or over which control or direction is exercised by them.

The Company is relying on the exemption contained in subsection 5.5(b) of MI 61-101 to provide a formal valuation in connection with the Private Placement on the basis that none of its securities are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Exchange, or a stock exchange outside of Canada and the United States, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Pursuant to the policies of the TSX Venture Exchange (the "TSXV"), as the subscription for post-Consolidation common shares by the LPs pursuant to the Private Placement will result in the LPs owning more than 20% of the issued and outstanding common shares of the Company, disinterested shareholder approval is also required, however, the TSXV requirement for disinterested shareholder approval will be met if minority shareholder approval is obtained pursuant to MI 61-101.

Shareholder approval for the Consolidation will also be sought at the Company's upcoming annual general and special meeting and requires approval by way of special resolution of not less than two-thirds (2/3) of the votes cast at the meeting in person or by proxy.

Pursuant to the Subscription Agreement, in addition to completion of the Consolidation, closing is also conditional upon the following:

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- the LPs being satisfied, in their sole discretion, that, following completion of the Private Placement, they will hold less than 50% of the issued and outstanding post-Consolidation common shares;
- all approvals, consents and authorizations necessary for the consummation of the transactions contemplated by the Subscription Agreement shall have been obtained by the Company and the LPs;
- the Company shall have completed the sale of the remaining 312,500 post-Consolidation common shares forming part of the Private Placement; and
- such other conditions as are standard in transactions of this nature.

The Private Placement and Consolidation are subject to acceptance for filing by the TSXV.

About Birch Hill Equity Partners

With \$2.0 billion in capital under management, Birch Hill Equity Partners invests in leading Canadian middle-market businesses. Birch Hill's team has many years of experience working together as an active partner with top management teams in building long term value. Since 1994, Birch Hill has made more than 50 investments with 30 now fully realized.

About Medwell Capital Corp.

Medwell Capital Corp. is a Canadian-based investment and advisory firm. For further information please visit www.medwellcapital.com.

Neither 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.

This press release may contain forward-looking statements, which reflect the Company's current expectation regarding future events. These forward-looking statements involve risks and uncertainties that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, but are not limited to, changing market conditions, the successful and timely completion of clinical studies, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process and other risks detailed from time to time in the Corporation's ongoing quarterly and annual reporting. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information, please contact:

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Michael Moore

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