FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Corporation

LGC Capital Ltd. (“**LGC**” or the “**Corporation**”)

800 Square-Victoria, Suite 3700
Montreal, Quebec
H4Z 1E9

2. Date of Material Change

February 26, 2019.

3. News Release

The news release with respect to the material change referred to in this report was issued by the Corporation through Cision/CNW on February 28, 2019. A copy of the news release was filed on the system for electronic document analysis and retrieval (SEDAR).

4. Summary of Material Change

LGC completes convertible loan transaction for US$2,340,000.

5. Full Description of Material Change

LGC announced that, following receipt of conditional approval from the TSX Venture Exchange, it has now closed its previously announced convertible loan transaction with international investors YA II, PN, Ltd. and RiverFort Global Opportunities PLC (the “**Lenders**”) pursuant to which they have loaned to LGC an aggregate amount of US$2,340,000 (the “**Loan**”). The proceeds of the Loan have been be used to refinance existing debt maturity.

The Loan has a term of 12 months with one-half of the principal amount outstanding payable in six equal monthly installments beginning on the date falling six months from the date of closing and the remaining outstanding amount payable in a single installment at maturity. The Loan bears interest at an annual rate of 12%, payable in cash on the date which is three months from the date of closing and, thereafter, on each date on which a repayment of principal is made.

The principal amount of the Loan may be convertible into common shares of LGC (the “**Shares**”) at the option of the Lenders at a price per Share equal to the lesser of (i) US$0.0912 (CAD$0.120), representing the US dollar equivalent of 120% of CAD$0.10; and (ii) 90% of the lowest daily VWAP during the five trading days immediately preceding the date of the conversion notice from the Lenders, subject to a minimum conversion price of US$0.076, representing the US dollar equivalent of CAD$0.10.

At closing, the Corporation issued an aggregate of 12,048,055 common share purchase warrants (the "**Warrants**") to the Lenders, representing an amount equal to 45% of the principal amount of the Loan divided by US$0.0874, representing the US dollar equivalent of CAD$0.115. Each Warrant entitles the holder thereof to acquire one Share at an exercise price of CAD$0.115, for a period of one year from the date of issuance.

In connection with the transaction, LGC paid a cash due diligence fee of US$13,100 to RiverFort Global Capital Limited ("**RiverFort**") of London, England.

The securities issued by the Corporation at the closing of the transaction, or upon conversion of the Loan or upon exercise of the Warrants, are subject to restrictions on resale for a period of four months and one day from the date of closing. LGC is at arm's length to both of the Lenders and to RiverFort.

6. Reliance on Subsection 7.1(2) or (3) of Regulation 51-102

Not applicable.

7. Omitted Information

None.

8. Executive Officer

For further information, please contact:

John McMullen
Chief Executive Officer
+1-416-803-0698

9. Date of Report

March 6, 2019.