# MATERIAL CHANGE REPORT
## Form 51-102F3

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

Horizon North Logistics Inc. ("**Horizon North**" or the "**Corporation**")
1600, 505 – 3rd Street S.W.
Calgary, Alberta T2P 3E6

**Item 2** **Date of Material Change**

The material change occurred effective June 17, 2015.

**Item 3** **News Release**

Two press releases relating to the material change described herein were disseminated on June 17, 2015 via CNW Group.

**Item 4** **Summary of Material Changes**

On June 17, 2015, Horizon North announced that it had entered into a bought-deal financing agreement with a syndicate of underwriters ("**Underwriters**") pursuant to which the Corporation agreed to issue common shares ("**Common Shares**") of the Corporation for gross aggregate proceeds of approximately $50.1 million, before the exercise of a 15% over-allotment option granted to the Underwriters.

Pursuant to a subsequent press release issued on June 17, 2015 by the Corporation, Horizon North and the Underwriters agreed to increase the size of the bought-deal financing of Common Shares to aggregate gross proceeds of approximately $70.1 million (the "**Offering**"), before the exercise of a 15% over-allotment option granted to the Underwriters.

**Item 5** **Full Description of Material Change**

**5.1 Full Description of Material Change**

On June 17, 2015, Horizon North announced that it had entered into a bought-deal financing agreement with a syndicate of Underwriters led by Peters & Co. Limited and including National Bank Financial Inc., Scotia Capital Inc., TD Securities Inc., AltaCorp Capital Inc., Clarus Securities Inc., Cormark Securities Inc., FirstEnergy Capital Corp., GMP Securities L.P. and Raymond James Ltd., pursuant to which the Corporation agreed to issue an aggregate of 13,350,000 Common Shares at a price of $3.75 per share for aggregate gross proceeds of approximately $50.1 million with an option granted to the Underwriters to purchase up to an additional 15% of the Common Shares to be issued under the Offering.

Pursuant to a subsequent press release issued on June 17, 2015, Horizon North and the Underwriters agreed to increase the size of the Offering to 18,700,000 Common Shares at a price of $3.75 per share for aggregate gross proceeds of approximately $70.1 million. The Underwriters have been granted an option to purchase up to an additional 15% of the Common Shares issued under this Offering at a price of $3.75 per share to cover over-allotments exercisable in whole or in part at any time until 30 days after the closing of the Offering for further gross proceeds of $10.5 million which would increase the Offering to approximately $80.6 million if fully exercised.

The Offering will be completed by way of short form prospectus in all of the provinces of Canada other than Québec and Common Shares may be issued under the Offering on a private placement basis in the United States pursuant to exemptions from the registration requirements of the *U.S. Securities Act of 1933*, as amended, (the "**U.S. Securities Act**"). The Offering is subject to customary conditions including receipt of applicable regulatory approvals, including the approval of the Toronto Stock Exchange, and is expected to close on or about July 8, 2015.

The net proceeds received by Horizon North from the Offering will be used to initially reduce the Corporation's committed credit facility balances which will then be available to fund Horizon North's ongoing capital spending program and for general corporate purposes.

Horizon North previously announced an initial capital spending program for 2015 of $25.0 million which was increased to $30.0 million based on the strength of first quarter 2015 operating results. Horizon North anticipates allocating capital spending towards development of workforce accommodation and housing projects to support recently announced and anticipated LNG projects in British Columbia.

The use of proceeds is consistent with Horizon North's core strategy of focusing on the western Canada and Alaska workforce accommodation market in support of large infrastructure development projects.

The securities offered have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. This material change report does not constitute an offer to sell or the solicitation of an offer to buy any Common Shares in the United States, nor shall there be any offer, solicitation or sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### 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:

Scott Matson
Vice President Finance and Chief Financial Officer
Telephone: (403) 517-4654
Fax: (403) 517-4678

## Item 9 Date of Report

This report is dated June 19, 2015.

**Cautionary Statement**

*This material change report contains forward-looking information that involves known and unknown risks and uncertainties, most of which are beyond Horizon North's control, including, without limitation, those listed under "Risk Factors" and "Forward-Looking Statements" in Horizon North's Annual Information Form and in its other filings available on SEDAR at www.sedar.com. Forward-looking information in this material change report includes, but is not limited to, the anticipated use of the net proceeds of the Offering, the completion and the timing of the Offering and the timing and deployment of the Corporation's ongoing capital expenditure program. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking information. Accordingly, undue reliance should not be placed on this forward-looking information. This forward-looking information is made as of the date of this material change report and, other than as required by applicable securities laws, Horizon North does not assume any obligation to update or revise it to reflect new events or circumstances. The forward looking information contained in this material change report is expressly qualified by this cautionary statement.*