FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. **<u>Name and Address of Company</u>**

Gratomic Inc.
69 Yonge Street, Suite 1010
Toronto, Ontario M5E 1K3

Item 2. **<u>Date of Material Change</u>**

The material change occurred on August 10, 2018.

Item 3. **<u>News Release</u>**

The News Release was disseminated on August 10, 2018.

Item 4. **<u>Summary of Material Change</u>**

Gratomic Inc. ("GRAT" or the "Company") announced that it had closed its over-subscribed non-brokered private placement announced on July 31, 2018 and raised $2,342,500 (the "Offering") through the issuance of 23,425,000 working capital units (the "WC Unit").

All securities issued pursuant to the Offering are subject to a four month hold period expiring on December 11, 2018.

Item 5. **<u>Full Description of Material Change</u>**

Each WC Unit is priced at $0.10 and consists of one (1) common share and one (1) common share purchase warrant ("WC Warrant"). Each WC Warrant entitles the holder to purchase one (1) common share (a "WC Warrant Share") at a price of $0.20 per WC Warrant Share until the earlier of: (i) August 10, 2021 (the "Closing Date"); and (ii) in the event that the closing price of the Common Shares on the TSX Venture Exchange is at least $0.30 for ten (10) consecutive trading days, and the 10th trading day (the "Final Trading Day") is at least four (4) months from the Closing Date, the date which is thirty (30) days from the Final Trading Day.

The Company paid eligible finders cash compensation of $50,650 and issued 474,000 Broker Warrants as selling commissions. Each broker warrant (a "Broker Warrant") issued in respect of the sale of WC Units entitles the holder to acquire one (1) common share of the Company at $0.10 for a period of three (3) years from the Closing Date. The Company paid First Republic Capital Corporation ("First Republic") a corporate finance fee of $46,850 and issued to First Republic 468,500 corporate finance Broker Warrants along with its pro rata share of selling commissions.

Insiders of the Company subscribed for 2,765,000 WC Units for $276,500. The insider private placements are exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 ("MI 61-101") by virtue of the exemptions contained in sections 5.5(a) and 5.7(1) (a) of MI 61-101 in that the fair market value of the consideration for the securities of the Company issued to the insiders does not exceed 25% of its market capitalization.

The insider private placements were approved by the disinterested directors of the Company. The insider private placements closed concurrently with the arm's length private placement.

The following table indicates the WC Units purchased by Insiders, the post-closing direct and indirect holdings in the Company held and the percentage the holding represents in the post-closing outstanding shares:

Name	**# of Listed Shares Purchased**	**Post-closing Direct & Indirect Holdings in the Issuer**	**% of Post-Closing Outstanding Listed Shares(1)**
Sheldon Inwentash	2,000,000 WC Units	4,000,000 common shares 5,500,000 warrants 3,950,000 options	9.13%
Arno Brand(2)	765,000 WC Units	1,908,500 common shares 1,750,000 warrants 1,065,000 options	3.36%

(1) Calculated based on partially-diluted outstanding capital for the holder including WC Warrants issued on this transaction to the holder assuming the exercise of all warrants and options held by such holder. Based upon outstanding capital of 137,844,739 after giving effect to the placement of the Offering and before giving effect to the partial dilution calculations.

(2) 1,065,000 common shares and 1,065,000 warrants held Through Valley Mining One Corp.

Item 6. **Reliance on Subsection 7.1(2) of National Instrument 51-102**

Confidentiality is not requested.

Item 7. **Omitted Information**

No information has been omitted in respect of the material change.

Item 8. **Executive Officer**

Arno Brand, Co-Chief Executive Officer
416-561-4095
abrand@gratomic.ca

Item 9. **Date of Report**

August 17, 2018