FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Mosaic Capital Corporation ("**Mosaic**")
400, 2424 – 4th Street SW
Calgary, AB T2S 2T4

Item 2 Date of Material Change

November 1, 2017

Item 3 News Release

A news release announcing the material change was issued via Cision on November 1, 2017.

Item 4 Summary of Material Change

On November 1, 2017, Mosaic announced that it had successfully completed the acquisition of a 75% interest in the business being carried on by Circle 5 Tool & Mold Inc. ("**Circle 5**").

Item 5 Full Description of Material Change

Circle 5 is a supplier of molding solutions to Tier 1 automotive part manufacturers, offering custom, high-precision molds and tools for plastic injection production of highly-visible interior automotive components. Circle 5's broad international customer base produces interior components for today's leading automotive brands including BMW, Ford, Volkswagen, General Motors, Toyota, Daimler and Tesla. With an established track record of over 30 years, Circle 5 is highly regarded in the industry for its delivery of quality molds and tools based on strong customer responsiveness, innovation and collaboration. Circle 5 operates out of a modern, 50,000-sq. ft. manufacturing facility in Windsor, Ontario. The remaining 25% of Circle 5 is being retained by its President and primary operating shareholder, Saylo Lam (41), a professional mechanical engineer who has been involved with the company for over 18 years.

Mosaic's acquisition cost of $27 million was funded by cash and will be subject to typical post-closing adjustments. Mosaic financed the transaction with $7 million from available credit facilities and $20 million from the issuance of units within a newly formed limited partnership, which is 100% controlled by Mosaic (the "**Acquisition Financing**").

The Acquisition Financing was completed by Mosaic's newly formed indirect subsidiary, Mosaic Auto Holding LP on a private placement basis through the issuance of $20 million in units ("**Units**"). The Units entitle the holder to receive a distribution equal to 7%, payable quarterly. Mosaic Auto Holding LP is required to redeem the Units at their original purchase price plus any outstanding distributions on January 1, 2021. The Units are not convertible or exchangeable into any securities of Mosaic and are not listed on any stock exchange or quotation system. In connection with the Acquisition Financing, Mosaic paid a fee equal to 2.75% of the gross proceeds of the Acquisition Financing to an arm's length Ontario based dealer.

In connection with the acquisition of the business being carried on by Circle 5, Mosaic entered into an amended and restated credit agreement with Alberta Treasury Branches ("**ATB**") which, among other things, provides for ATB's consent to the completion of the acquisition and grants ATB a security interest in the units held by Mosaic (or its subsidiaries) in Mosaic Auto Holding LP.

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

Monty Balderston
Chief Financial Officer & Corporate Secretary
Telephone: (403) 218-6500

Item 9 Date of Report

November 10, 2017