FORM 51–102F3
MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102

Item 1. Name and Address of Company

H-SOURCE HOLDINGS LTD. (the "Company")
Suite 1980, 1075 West Georgia Street
Vancouver, British Columbia

Telephone: (604) 688-9588

Item 2. Date of Material Change

March 3, 2017.

Item 3. News Release

News release dated March 3, 2017 was disseminated via Market News Publishing Inc. and concurrently filed on SEDAR.

Item 4. Summary of Material Change

The Company completed its previously announced private placement of common shares, at a price of CAD$0.18 per Offered Share, for gross proceeds to the Company of CAD$3,220,200.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company completed its previously announced private placement of common shares (the "**Offered Shares**"), at a price of $0.18 per Offered Share (the "**Issue Price**") for gross proceeds to the Company of $3,220,200 (the "**Offering**"). A total of 17,890,000 Offered Shares were sold pursuant to the Offering, including 1,970,042 Offered Shares issued as a result of the exercise of the Agents' (as defined below) over-allotment option. The Offering was conducted by a syndicate of agents led by Mackie Research Capital Corporation (the "**Lead Agent**") and including Clarus Securities Inc. and Haywood Securities Inc. (collectively with the Lead Agent, the "**Agents**").

All securities issued in connection with the Offering are subject to a hold period which will expire on July 4, 2017, the date that is four months and one day from the closing of the Offering.

The Company paid to the Agents a cash commission equal to 7.5% of the gross proceeds raised under the Offering (reduced to 3.75% for president's list subscribers) through the Agents. The Company also issued to the Agents compensation options (the "**Compensation Options**") equal to 7.5% of the Offered Shares issued pursuant to the Offering (reduced to 3.75% for president's list subscribers) through the Agents. Each Compensation Option is exercisable into one common share of the Company at the Issue Price for a period of 18 months from the closing of the Offering.

The net proceeds from the Offering will be used for working capital and general corporate purposes.

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**

John Kupice, CEO and Director
H-Source Holdings Ltd.

Item 9. **Date of Report**

March 8, 2017