FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Trusted Brand 2016 Inc. (the “Corporation”)
8521 Connors Road
Edmonton, AB T6C 4H2

2. **Date of Material Change**

June 19, 2020

3. **News Release**

A press release was disseminated on June 19, 2020 via GlobeNewsWire.

4. **Summary of Material Change**

The Corporation Announces Definitive Agreement for Qualifying Transaction

5.1 **Full Description of Material Change**

The Corporation announces that it has entered into a definitive share purchase agreement subject to the usual conditions (the “Definitive Agreement”) with 1421526 Alberta Ltd. (“1421526”), Lui Holdings Corporation (“Lui Holdings”) and 991799 Alberta Ltd. (“991799”), all private Alberta corporations, dated June 19, 2020 pursuant to which Trusted Brand will acquire all of the issued and outstanding Class “A” common voting shares in the capital of 1421526 together with all of the shareholder loans on a converted to equity basis (collectively the “Shareholder Interest”) for a total purchase price equal to the aggregate of the fair market value of the Shareholder Interest, being $11,328,422.71 (the “Transaction”). Ben Lui has controlling interest of Lui Holdings and resides in Edmonton, Alberta and Ed Chong has controlling interest of 991799 and resides in Sherwood Park, Alberta. The Transaction is an arm's-length transaction and will constitute Trusted Brand's "Qualifying Transaction" pursuant to TSX Venture Exchange Policy 2.4. There are no relationships between any Non-Arm's Length Party of Trusted Brand or 1421526 and as such the Transaction is not considered a Non-Arm's Length Qualifying Transaction and therefore does not require shareholder approval. The resulting issuer will be the Corporation, which will be renamed to Yorkton Equity Group Inc. upon completion of the Transaction and will trade under the ticker symbol “YEG” on the TSX Venture Exchange.

The 1421526 shareholder loans are with each of Lui Holdings and 991799 (collectively the “1421526 Shareholders”) in the amount of $3,457,206.68 and $498,635.00, respectively, for an aggregate amount of $3,955,841.68 which will be paid by way of 19,779,208.40 preferred shares in the capital of the Corporation to be issued as Series II (“Series II Preferred Shares”), with a fair market value of $0.20 per Series II Preferred Share, to the 1421526 Shareholders on closing. The Series II Preferred Shares will be exchangeable on a one-to-one basis into common shares of the Corporation (“Common Shares”), subject to approval of the TSX Venture Exchange based on appropriate share distribution being satisfied.

About 1421526 Alberta Ltd.

1421526 is the owner of a two storey retail and commercial building referred to as Pacific Rim Mall located at 9700 – 105th Avenue NW, Edmonton, Alberta which is situated on a 26,400 square foot land base, and a 34,845 square foot gravel parking lot along 98th Street and 105th Avenue in Edmonton, Alberta which is zoned for future development (the “Property”). 1421526 is an Alberta corporation incorporated under the Business Corporations Act (Alberta) on August 25, 2008, with its principal offices located at 3165, 10180 – 101 Street, Edmonton, T5J 3S4 and its registered office located at 1700, 10175-101 Street NW, Edmonton, Alberta, T5J 0H3. 1421526 has no corporate subsidiaries.

Summary of the Transaction

Pursuant to the Definitive Agreement, the Corporation has agreed to purchase all of the Shareholder Interest of 1421526 from the 1421526 Shareholders for a total purchase price equal to the aggregate of the fair market value of the Shareholder Interest for the following consideration:

- The issuance of 15,800,000 Common Shares with a fair market value of $0.20 per Common Share for an aggregate purchase price of $3,160,000;
- The issuance of 21,062,905.15 preferred shares in the capital of the Corporation, to be issued as Series I ("Series I Preferred Shares") with a fair market value of $0.20 per Series I Preferred Share for an aggregate purchase price of $4,212,581.03. The Series I Preferred Shares are exchangeable on a one-to-one basis into Common Shares of the Corporation, subject to approval of the TSX Venture Exchange based on appropriate share distribution being satisfied;
- The assumption of 1421526's commitment pursuant to a shareholder loan with each of 991799 and Lui Holdings in the amount of $498,635.00 and $3,457,206.68 respectively. The shareholder loans in the aggregate amount of $3,955,841.68 will be converted into a total of 19,779,209.40 Series II Preferred Shares with 17,286,033.40 and 2,493,175 being issued to Lui Holdings and 991799 respectively; and
- The assumption of a bank loan in the form of a first mortgage registered on the Property from Canada Western Bank in the aggregate amount of $2,571,730.92 as at April 30, 2020.

In conjunction with, or prior to, the Transaction, 1421526 will complete a non-brokered private placement of up to 2,500,000 units ("Units"), at an offering price of $0.20 per Unit, for gross proceeds of up to $500,000. Each Unit shall be comprised of one (1) Common Share and one (1) Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one (1) additional Common Share at a price of $0.30 per Common Share for a period of three (3) years following the date of closing (the "Term"). In the event the Common Shares close at a price of equal to or greater than $0.50 per Common Share for a period of greater than twenty (20) consecutive trading days, then the Term of the Warrants shall be automatically accelerated and shortened from three (3) years to thirty (30) calendar days following the date a press release is issued by the Corporation announcing the reduced Term, and the issuance of the press release shall be deemed sufficient notice to all Warrant holders of the shortened Term as a result of the acceleration. The proceeds from the private placement will be used for general working capital.

Additional information concerning the Transaction, the Corporation, 1421526 and the resulting issuer is provided in Corporation's news releases dated June 19, 2020 and will be provided in the Corporation's Filing Statement to be filed in connection with the Transaction, which will be available under the Corporation's SEDAR profile at www.sedar.com.

5.2 **Disclosure for Restructuring Transactions**

Not Applicable.

6. **Reliance on Section 7.1(2) or (3) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

None

8. **Executive Officer**

The name of the executive officer of the Corporation who is knowledgeable about the material change and this report is:

Ted Geier
Chief Executive Officer
Telephone: 403.252.3616

9. **Date of Report**

July 30, 2020