**FORM 51-102F3**
**Material Change Report**

**1. Name and Address of Company:**

Pathway Health Corp. (the “**Company**” or “**Pathway**”)
16 Four Season Place, Suite 203A
Etobicoke, Ontario
M9B 6E5

**2. Date of Material Change:**

March 31, 2023

**3. News Release:**

A news release relating to the material change was disseminated on March 31, 2023 through Newswire and filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

**4. Summary of Material Change:**

On March 31, 2023, the Company announced that it had entered into a definitive arrangement agreement (the “**Arrangement Agreement**”) with The Newly Institute Inc. ("**The Newly**") and HEAL Global Holdings Corp. ("**HEAL**") pursuant to which Pathway will, subject to the terms and conditions of the Arrangement Agreement, acquire all of the issued and outstanding common shares in the capital of HEAL ("**HEAL Shares**") and The Newly ("**Newly Shares**") from their respective shareholders (other than those Newly Shares held by HEAL) (the “**Transaction**”) in exchange for common shares in the capital of the Company ("**Pathway Shares**").

Under the terms of the Arrangement Agreement, it is expected that each holder of HEAL Shares will receive approximately 2.77 Pathway Shares in exchange for each HEAL Share held at the Effective Time (as defined below) and holders of Newly Shares (other than HEAL) will receive approximately 4.85 Pathway Shares in exchange for each Newly Share held at the Effective Time.

**5. Full Description of Material Change:**

**5.1 Full Description of Material Change**

The following is a summary of the Transaction (as defined below) and is qualified in its entirety by the full text of the Arrangement Agreement, which are filed on SEDAR at www.sedar.com.

**Arrangement Agreement**

On March 31, 2023, Pathway entered into the Arrangement Agreement with The Newly and HEAL pursuant to which the Company will acquire all of the issued and outstanding HEAL Shares and Newly Shares (other than those Newly Shares held by HEAL) pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta)(the “**ABCA**”).

***Consideration***

Subject to the terms and conditions set forth in the Arrangement Agreement, holders of HEAL Shares (the “**HEAL Shareholders**”) will receive approximately 2.77 Pathway Shares in exchange for each HEAL Share held, and holders of Newly Shares (other than HEAL) (the "**Newly Shareholders**") will receive approximately 4.85 Pathway Shares in exchange for each Newly Share held, in each case as at the effective time of the Transaction (the "**Effective Time**"). An aggregate of approximately 279,618,754 Pathway Shares will be issued to former HEAL Shareholders and Newly Shareholders at a deemed price of $0.13 per share and for total deemed consideration of approximately $36,350,000.

***Conditions to the Transaction***

The Transaction is subject to a number of conditions, including the approval by: (i) Pathway shareholders ("**Pathway Shareholders**") at a special meeting (the "**Pathway Meeting**"); (ii) HEAL Shareholders by way of a special resolution in writing approving the Transaction (the "**HEAL Arrangement Resolution**"); and (iii) Newly Shareholders, and if required, holders of Newly options and Newly warrants ("**Newly Convertible Security Holders**") at a special meeting (the "**Newly Meeting**").

To be effective, the Transaction must be approved by way of a resolution ("**Arrangement Resolution**") by the affirmative vote of at least:

1. A written resolution of at least two-thirds ($66^{2/3}$%) of the HEAL Shareholders entitled to vote on the HEAL Arrangement Resolution;

2. at least two-thirds ($66^{2/3}$%) of the votes cast on:

    (a) the resolution (the "**Pathway Arrangement Resolution**") approving the Transaction by Pathway Shareholders voting as a single class present in person or represented by proxy and entitled to vote at the Pathway Meeting;

    (b) the resolution (the "**Newly Arrangement Resolution**") approving the Transaction by (i) the Newly Shareholders voting together as a single class; and (ii) if required, the Newly Convertible Security Holders voting together as a separate class, in each case present in person or represented by proxy and entitled to vote at the Newly Meeting; and

3. a simple majority of the votes cast on the Pathway Arrangement Resolution by the Pathway Shareholders present or represented by proxy at the Pathway Meeting excluding the votes cast in respect of the securities of Pathway and The Newly, respectively, held or controlled by certain individuals under the minority approval (the "**Pathway Minority Approval**") requirements for a "business combination" under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

It is a condition to closing in favor of HEAL that holders of less than 5% of the outstanding Pathway Shares and (or) Newly Shares shall have validly exercised dissent rights in respect of the Transaction and the continuance of The Newly out of the jurisdiction of Canada under the *Canada Business Corporation Act* and into the jurisdiction of Alberta under the ABCA, collectively, that have not been withdrawn as of the Effective Date (as defined in the Arrangement Agreement). In addition, the Transaction is subject to (i) approval of the Court of King's Bench of Alberta; (ii) the TSX Venture Exchange; (iii) applicable regulatory approvals; and (iv) the satisfaction of certain other closing conditions customary for a transaction of this nature.

The Arrangement Agreement includes customary deal protections and includes a termination amount of $1 million, payable under certain circumstances, including if the Company proceeds with a Pathway Superior Proposal (as defined in the Arrangement Agreement) or The Newly proceeds with a Newly Superior Proposal (as defined in the Arrangement Agreement).

***Other Terms of the Arrangement Agreement***

The Arrangement Agreement includes customary representations and warranties of the Company, HEAL and The Newly and each party has agreed to customary covenants, including, among others, covenants relating to the conduct of each party's business during the interim period between the date of the Arrangement Agreement and the Effective Time.

In connection with the Transaction, Pathway will: (i) change its name to "Global Healthcare Holdings Corp." or such other name as the Pathway board of directors (the "**Board**") may determine; and (ii) restructure the Board and its officers. The Board is expected to be comprised of Michael Steele, Kenneth Howling, Alison Wright, along with one additional independent director to be named in due course, and management of the Company is expected to include Michael Steele, Chief Executive Officer and Mark Kopitar, Corporate Secretary, with the Chief Financial Officer to be named. In addition, The Newly will be afforded board observation rights at the conclusion of the Transaction.

The Board (with Ms. Wright abstaining) and the board of directors of HEAL and The Newly have each unanimously approved the Transaction and recommended their respective securityholders vote in favour thereof.

**Voting Support Agreements**

The Company, The Newly and HEAL have entered into voting and support agreements (the "**Voting Support Agreements**"), with directors, officers and certain other shareholders of the respective parties and pursuant to which such shareholders have agreed to support and vote in favour of the Transaction as well as not to transfer their respective shares other than according to the Arrangement Agreement or to an affiliate or associate. As a result, shareholders holding approximately 56% of the outstanding Pathway Shares, 33% of the outstanding Newly Shares and 100% of the outstanding HEAL Shares have agreed to support the Transaction.

**Related Party Participation**

HEAL is an affiliate of Avonlea-Drewry Holdings Inc. ("**ADH**"), the largest indirect beneficial shareholder of Pathway and a significant indirect shareholder of The Newly. Mr. Michael Steele, the sole director and officer of HEAL, and Ms. Alison Wright, a director of the Company, are directors, officers and shareholders of ADH. As a result, HEAL and The Newly are each a "related party" of the Company and the entering into the Transaction and matters relating thereto are considered to be "related party transactions" within the meaning of MI 61-101 and requiring the Company, in the absence of exemptions, to obtain a formal valuation, and minority shareholder approval, of the related party transactions.

Pathway intends to rely on exemptions from the formal valuation and minority shareholder approval requirements contained in sections 5.5(b) and 5.5(g), respectively, of MI 61-101 as, among other available exemptions, no securities of the Company being listed or quoted on certain specified exchanges.

Pathway must, however, obtain "minority approval" of the Transaction under MI 61-101. Therefore, at the Pathway Meeting, Pathway will seek the Pathway Minority Approval of the Pathway Arrangement Resolution, which shall exclude any Pathway Shares held by a Pathway Shareholder that meets the criteria set forth in section 8.1(2) of MI 61-101.

The Transaction was approved by the Board (with Ms. Wright abstaining) including by all of the Board members who are independent for the purposes of the Transaction, being all of the members of the Board other than Ms. Wright and neither the Company nor, to the knowledge of the Company after reasonable inquiry, HEAL or The Newly, has knowledge of any material information concerning Pathway or its securities that has not been generally disclosed. No special committee of the Board was established in connection with the Transaction as the entire Board was engaged in respect of the Transaction, and, other than Ms. Wright who abstained from voting on the Transaction, no materially contrary view or abstention was expressed or made by any director of the Company in relation thereto.

Neither the Company nor any director or senior officer of the Company has knowledge, after reasonable inquiry, of any prior valuation in respect of the Company that relates to the subject matter of or is otherwise relevant to the Transaction, that has been made in the 24 months prior to the date of this report.

Immediately after completion of the Transaction, ADH and its affiliates are expected to beneficially own or exercise control or direction over, directly or indirectly, 396,143,616 Pathway Shares, representing approximately 49.58% of the issued and outstanding Pathway Shares.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**6. Reliance on Subsection 7.1(2) of National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not applicable.

**7. Omitted Information:**

Not applicable.

**8. Executive Officer Knowledgeable of Material Change:**

Aura Balboa
Chief Financial Officer
Telephone: (647) 989-2872
Email: aura.balboa@pathwayhealth.ca

**9. Date of Report:**

April 6, 2023.