

FORM 51-102F3

MATERIAL CHANGE REPORT

**1. Name and Address of Company**

**Buzz Capital Inc.** (the "Company")  
950 Gladstone Avenue, Suite 200  
Ottawa, ON K1Y 3E6

**2. Date of Material Change**

May 8, 2020

**3. News Release**

A news release with respect to this material change was disseminated on May 18, 2020 through the facilities of Newsfile.

**4. Summary of Material Change**

The Company announced that it has signed a letter of intent dated May 8, 2020 (the "**Letter of Intent**") with Novamind Ventures Inc., an Ontario corporation, ("**Novamind**") to complete a business combination by way of a transaction that will constitute a reverse takeover of the Company by Novamind. The proposed transaction is intended to constitute an arm's length qualifying transaction (the "**Qualifying Transaction**") for the Company, as defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"), e. Upon completion of the Qualifying Transaction and the Financing (as defined and described in Schedule "A" attached), it is expected that following the Qualifying Transaction, the Company will be a Tier 2 Industrial Issuer, subject to Exchange approval.

**5. Full Description of Material Change**

For a full description of the material change, see Schedule "A".

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

Not applicable.

**7. Omitted Information**

None.

**8. Executive Officer**

Chuck Rifici, President and CEO, is the executive officer of the Company knowledgeable about the material change. He may be contacted through the following:

Tammie Brown, Director of Corporate Services  
Tel: 613-239-0531 ext. 3

**9. Date of Report**

May 22, 2020.

## Schedule "A"

### NEWS RELEASE

#### NOVAMIND AND BUZZ CAPITAL ANNOUNCE QUALIFYING TRANSACTION

*Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. Securities laws.*

TORONTO, May 18, 2020 - Buzz Capital Inc. (TSXV: BUZ.P) ("**Buzz Capital**" or the "**Corporation**"), a capital pool company listed on the TSX Venture Exchange (the "**Exchange**"), is pleased to announce that it has signed a letter of intent dated May 8, 2020 (the "**Letter of Intent**") with Novamind Ventures Inc., an Ontario corporation, ("**Novamind**") to complete a business combination by way of a transaction that will constitute a reverse takeover of Buzz Capital by Novamind. The proposed transaction is intended to constitute an arm's length qualifying transaction (the "**Qualifying Transaction**") for Buzz Capital, as defined in Policy 2.4 of the Exchange. Upon completion of the Qualifying Transaction and the Financing (as defined and described below), it is expected that Buzz Capital (following the Qualifying Transaction, the "**Resulting Issuer**") will be a Tier 2 Industrial Issuer, subject to Exchange approval.

#### Description of Novamind

Novamind invests in the infrastructure that drives the world's leading psychedelic clinics and retreats. Novamind was founded in May 2019 in Toronto, Canada.

Ongoing clinical trials approved by the U.S. Food and Drug Administration ("FDA") are currently evaluating the safety and efficacy of MDMA-assisted psychotherapy (to treat PTSD) and psilocybin-assisted psychotherapy (to treat depression), and if approved, will require specialized infrastructure to facilitate patient treatment. Novamind seeks to accelerate research and innovation in psychedelic medicine by investing in the people, science and technology required for a regulated psychedelics industry.

Until such time that the FDA approves new psychedelic medicines, Novamind invests and operates exclusively in those jurisdictions with established legal regulations for the use of psychedelics. With this as a prerequisite, Novamind was an early mover in 2019 and made two strategic investments in industry-leading psychedelic retreats and clinics:

- (A) a €750,000 (CAD \$1,137,623) investment in Synthesis Institute B.V. ("**Synthesis**"), a Netherlands-based psychedelics retreat offering an interdisciplinary approach to safe, legal psilocybin experiences. The investment in Synthesis was funded in cash and closed in multiple tranches beginning in November 2019 with the final tranche completed in March 2020; and
- (B) a letter of intent to purchase 100% of the assets of Cedar Psychiatry LLC and Cedar Clinical Research LLC ("**Cedar Psychiatry**"), a leading provider of psychedelic-assisted psychotherapy and research, based in the United States (the "**Cedar Acquisition**"). Cedar Psychiatry operates three psychiatry clinics specialized in ketamine-assisted psychotherapy, and a dedicated research center that conducts novel clinical trials. Novamind's acquisition of Cedar Psychiatry is expected to close prior to the Qualifying Transaction. The purchase price for the Cedar Psychiatry acquisition is \$3,050,000 consisting of 5,125,000 Novamind Consolidated Shares (as defined below) to be issued at a deemed price of \$0.40 per share and cash payments totalling \$1,000,000 to be paid over 12 months from closing of the Cedar Acquisition.

Novamind's investment in Synthesis and its acquisition (pending) of Cedar Psychiatry provides Novamind with access to proprietary resources including psychedelic-assisted psychotherapy protocols, industry-leading data, patient screening tools, leading facilitators and scientific advisors. Utilizing these best practices and partnering with leading practitioners in the psychedelic space, Novamind is building a network of clinics and retreats offering people access to safe, legal psychedelic experiences while advancing research for psychedelic medicine.

Additional information on Novamind will be provided in the filing statement to be filed pursuant to the Qualifying Transaction.

## The Qualifying Transaction

The Letter of Intent contemplates that the Qualifying Transaction will be undertaken by way of a three-corner amalgamation, pursuant to which Novamind will amalgamate (the "**Amalgamation**") with a newly formed subsidiary of Buzz Capital and, as such, approval of the Novamind shareholders ("**Novamind Shareholders**") will be required. Upon completion of the Amalgamation, the corporation formed by the amalgamation of Novamind and the newly-formed subsidiary of Buzz Capital will be a wholly-owned subsidiary of Buzz Capital.

Prior to the Amalgamation, Buzz Capital will effect a consolidation (the "**Buzz Consolidation**") and Novamind will similarly effect a consolidation (the "**Novamind Consolidation**"; together with the Buzz Consolidation, the "**Consolidations**") of, respectively, the issued and outstanding common shares of Buzz Capital (the "**Buzz Shares**") and Novamind (the "**Novamind Shares**"). Under the Buzz Consolidation, the Buzz Shares will be consolidated on a basis that results in the holders of Buzz Shares ("**Buzz Shareholders**") holding post-Buzz Consolidation Buzz Shares ("**Buzz Consolidated Shares**") having a value of \$1,700,000, provided that Buzz Capital has net cash of minimum \$500,000 at closing. Assuming a net cash position of a minimum of \$500,000, this would result in the Buzz Shares being consolidated on a 1:1.9788 basis, resulting in approximately 4,250,000 Buzz Consolidated Shares being outstanding. Under the Novamind Consolidation, the outstanding Novamind Shares will be consolidated on a 1:4 basis, resulting in Novamind Shareholders holding approximately 19,018,750 post-Novamind Consolidation Novamind Shares ("**Novamind Consolidated Shares**"). The number and exercise prices of the outstanding convertible securities of Buzz Capital ("**Buzz Convertible Securities**") and Novamind ("**Novamind Convertible Securities**"; together with the Buzz Convertible Securities, the "**Convertible Securities**") will be adjusted in accordance with their terms as a result of, respectively, the Buzz Consolidation and Novamind Consolidation.

Following the Consolidations and pursuant to the Amalgamation, the holders of Novamind Consolidated Shares immediately prior to the completion of the Amalgamation will each receive, for every one (1) Novamind Consolidated Share held immediately prior to the completion of the Amalgamation, one (1) Buzz Consolidated Share (the "**Exchange Ratio**"). Outstanding Novamind Convertible Securities will either automatically adjust in accordance with the terms thereof such that following the completion of the Amalgamation, the holders thereof shall acquire Buzz Consolidated Shares in lieu of Novamind Consolidated Shares or will be replaced with equivalent convertible securities of Buzz entitling the holders thereof to acquire Buzz Consolidated Shares in lieu of Novamind Consolidated Shares, and otherwise bearing the same terms as the Novamind Convertible Securities which they replace.

Completion of the Qualifying Transaction is subject to the satisfaction of a number of conditions, including, but not limited to:

- (a) a change in the name of Buzz Capital to "Novamind Inc." or such other name as may be approved by Novamind and acceptable to applicable regulatory authorities;
- (b) receipt of all necessary third-party, regulatory and Exchange approvals, including the approval by the Exchange of the proposed transaction as Buzz Capital's Qualifying Transaction;
- (c) negotiation and execution and delivery of a definitive form of amalgamation agreement (the "**Definitive Agreement**") mutually acceptable to both Novamind and Buzz Capital, containing the terms and conditions customary in transactions of like nature;
- (d) approval of the Amalgamation and the Definitive Agreement by the board of directors of Novamind and Buzz Capital;
- (e) prior to the Qualifying Transaction, the completion by Novamind of the Financing (as defined below); and
- (f) the approval of the Amalgamation by the Novamind shareholders.

## Selected Financial Information of Novamind

The following tables sets out unaudited historical financial information of Novamind for the period commencing on its date of incorporation, May 22, 2019 and ending April 30, 2020.

<b>Balance Sheet Account</b>	<b>As at April 30, 2020</b>
Current Assets	\$1,027,253
Total Assets	\$2,352,407
Current Liabilities	\$587,085
Total Liabilities	\$587,085
Total Shareholder's Equity	\$2,352,407

<b>Income Statement</b>	<b>May 22, 2019 to April 30, 2020</b>
Revenue	NIL
Operating Expenses	\$727,135.20
Net Loss	\$(727,135.20)

### Novamind Financing

In connection with the Qualifying Transaction and prior to the Novamind Consolidation, Novamind is undertaking a non-brokered private placement (the "**Financing**") of Novamind Shares at a price of \$0.10 per share for minimum gross proceeds of \$2,500,000. Novamind engaged First Republic Capital Corporation ("**First Republic**") as its exclusive lead finder in connection with the Financing. As compensation, First Republic will be paid a cash commission equal to 7% of the aggregate gross proceeds of the Financing and compensation warrants ("**Compensation Warrants**") equal to 7% of the number of Novamind Shares issued under the Financing. Each Compensation Warrant entitles the holder to acquire a Novamind Share at an exercise price of \$0.10 for a period of 24 months following the closing date of the Financing. The Novamind Consolidation will result in the number of Novamind Shares and Compensation Warrants issued in the Financing being divided by four, and the effective offering price under the Financing and the exercise price of the Compensation Warrants being adjusted to \$0.40 per share. Novamind has closed a first tranche of the Financing for gross proceeds of \$1,607,500.

### Pro Forma Capitalization

The table below demonstrates the anticipated non-diluted capitalization of the Resulting Issuer post Qualifying Transaction and Financing, assuming completion of the minimum Financing, and lists the number of common shares of the Resulting Issuer ("**Resulting Issuer Shares**") anticipated to be held by the Buzz Shareholders, Novamind Shareholders and investors in the Financing.

	<b>Number of Resulting Issuer Shares Issued and Outstanding Post-Qualifying Transaction Assuming Minimum Financing and completion of the Consolidations</b>	<b>Percentage of Resulting Issuer Shares Post-Qualifying Transaction Assuming Minimum Financing and completion of the Consolidations</b>
Resulting Issuer Shares held by Buzz Capital Shareholders	4,250,000	13.88%
Resulting Issuer Shares held by Former Novamind Shareholders <sup>(1)</sup>	15,000,000	48.98%
Resulting Issuer Shares held by Former Cedar Psychiatry Shareholders	5,125,000	16.73%
Resulting Issuer Shares held by investors in the Financing <sup>(1)</sup>	6,250,000	20.41%
<b>TOTAL</b>	<b>30,625,000</b>	<b>100%</b>

### **Note:**

- Novamind has raised aggregate gross proceeds of \$1,607,500 under the Financing to date and has issued 16,075,000 Novamind Shares, which, following the Novamind Consolidation, will be consolidated into approximately 4,018,750 Novamind Consolidated Shares. These 4,018,750 Novamind Consolidated Shares are included in the row titled "Resulting Issuer Shares held by investors in the Financing", which discloses the number of Novamind Consolidated Shares that would be outstanding if Novamind raised an additional \$892,500 under the Financing, being an amount sufficient to meet the minimum \$2,500,000 Financing.

It is anticipated that proceeds from the Financing will be used for acquisitions and for general working capital.

#### Board of Directors, Officers and other Insiders

Upon completion of the Qualifying Transaction, it is anticipated that the board of directors and officers of the Resulting Issuer will be comprised of the individuals listed below. In addition, the parties anticipate that Novamind will nominate the Chief Financial Officer and Corporate Secretary of the Resulting Issuer. The identities and biographies of these individuals will be disclosed in a subsequent press release or filing statement prepared in connection with the Qualifying Transaction. To the knowledge of Novamind and Buzz Capital, no person will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the Resulting Issuer.

#### ***Chuck Rifici (Director), Ottawa, Ontario***

Chuck is a pioneer of the North American cannabis industry, having created and managed opportunities which have had an incredible and widespread impact on the Canadian cannabis landscape. The founder of Canopy Growth (FKA Tweed Marijuana), Chuck is Chairman of Auxly Cannabis Group, Chairman at Feather Company and is a chartered professional accountant (CPA). He obtained his MBA from Queen's University and holds a BSc in Computer Engineering from the University of Ottawa.

#### ***Yaron Conforti (Chief Executive Officer and Director), Toronto, Ontario***

Yaron Conforti is the founder and principal of Emmcap Corp., an investor in venture-stage companies. He previously served in senior investment banking roles at Desjardins Securities and Sandfire Securities and in CEO, CFO and corporate director roles for private and public companies.

#### ***Jesse Kaplan, CFA (Director) , Toronto, Ontario***

Jesse Kaplan has been a partner with Plaza Capital Limited since 2015. His career has focused on advising and investing in early stage growth companies. This has included extensive work helping companies through the process of going public in both Canada and the United States. Jesse was previously a senior analyst at Harborview Advisors LLC, a New York based investment firm and Palladium Capital Advisors, LLC, a NASD member investment bank. Currently, he is a board member of Abacus Health Products (CSE:ABCS) among other successful companies.

#### ***Sruli Weinreb (Director), Toronto, Ontario***

Sruli Weinreb is the founder and managing partner of Plaza Capital Limited. Plaza Capital supports many North American early stage growth companies with strategic debt placements and equity investments. He is also the chief executive officer of Lake Central Air Services Inc., the world's leading modification and integration partner for the airborne geophysical survey industry. Before founding Plaza Capital in 2013, Sruli was the chief executive officer of eMobile Inc., a telecom arbitrage company with a specialization in international roaming which he co-founded in 2008.

#### Sponsorship

Sponsorship of a qualifying transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies. Buzz Capital is currently reviewing the requirements for sponsorship and may apply for an exemption from the sponsorship requirements pursuant to the policies of the Exchange; however, there is no assurance that Buzz Capital will ultimately obtain this exemption. Buzz Capital intends to include any additional information regarding sponsorship in a subsequent press release.

#### Further Information

The Buzz Shares are currently halted from trading on the Exchange and will remain halted until such time as determined by the Exchange, which, depending on the policies of the Exchange, may or may not occur until the completion of the Qualifying Transaction.

All information contained in this news release with respect to Novamind and Buzz Capital was supplied by the parties respectively, for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

*Completion of the transaction is subject to a number of conditions, including, but not limited to, Exchange acceptance and if applicable pursuant to Exchange requirements, majority of the minority shareholder approval.*

*Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

#### **Cautionary Statements**

*Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Corporation's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the intention of the parties to enter into the Definitive Agreement, the completion of the Financing and Amalgamation, listing as an Industrial Issuer, and the use of proceeds from the Financing. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Corporation. The material factors and assumptions include the parties to the Definitive Agreement being able to obtain the necessary director, shareholder and regulatory approvals; Exchange policies not changing; and completion of satisfactory due diligence. Risk factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things: conditions imposed by the Exchange, the failure to obtain the required directors' and shareholders' approval to the Qualifying Transaction; changes in tax laws, general economic and business conditions; and changes in the regulatory regulation. The Corporation cautions the reader that the above list of risk factors is not exhaustive. The forward-looking information contained in this release is made as of the date hereof and the Corporation is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.*

*This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

SOURCE: Buzz Capital Inc.

For further information:

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