

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

Baetis Ventures Ltd.
530 – 625 Howe Street
Vancouver, BC V6C 2T6

Item 2 **Date of Material Change**

September 24, 2018

Item 3 **News Release**

The news release was disseminated on September 24, 2018 through Filing Services Canada Inc. (FSC Wire).

Item 4 **Summary of Material Change**

Baetis Ventures Ltd. (“Baetis” or the “Company”), a capital pool company listed on the TSX Venture Exchange Inc. (the “Exchange”) and RE Royalties Ltd. (“RER”) are pleased to announce that the Exchange has granted conditional approval to the reverse-takeover transaction (the “Transaction”) as initially announced by news release dated April 2, 2018. The Transaction will constitute Baetis’ Qualifying Transaction, as defined in Exchange Policy 2.4 – Capital Pool Companies. The Transaction will be effected by way of a plan of arrangement, whereby Baetis will acquire from the shareholders of RER, 100% of the issued and outstanding common shares of RER and RER will become a wholly owned subsidiary of Baetis.

In addition to the Transaction, Baetis will complete a consolidation of its common shares at a ratio of three (3) existing common shares for one (1) post-consolidation common share. Baetis will also complete a non-brokered private placement, of post-consolidated common shares at \$1.00 per share, subject to the approval of the Exchange, for gross proceeds in the minimum amount of \$275,000 (the “Baetis Private Placement”). The purpose of the Baetis Private Placement is to allow investors to participate via their registered investment accounts. Any common shares issued pursuant to the Baetis Private Placement will be subject to a mandatory hold period which will expire four months after closing of the Baetis Private Placement. Finder’s fees may be paid on a portion of the Baetis Private Placement, including the issuance of finder’s warrants.

Item 5 **Full Description of Material Change**

5.1 Full Description of Material Change

Baetis, a capital pool company listed on the Exchange and RER are pleased to announce that the Exchange has granted conditional approval to the reverse-takeover transaction (the “Transaction”) as initially announced by news release dated April 2, 2018. The Transaction will constitute Baetis’ Qualifying Transaction, as defined in Exchange Policy 2.4 – Capital Pool Companies. The Transaction will be effected by way of a plan of arrangement, whereby Baetis will acquire from the shareholders of RER, 100% of the

issued and outstanding common shares of RER and RER will become a wholly owned subsidiary of Baetis.

The Company and RER entered into an Arrangement Agreement on May 31, 2018 which was unanimously approved by the Board of Directors of Baetis and the Shareholders of RER. The Arrangement Agreement initially contemplated completion of the Transaction by August 31, 2018. The Company and RER have agreed to extend the closing date to October 31, 2018 and now expect the Transaction to close by that date.

Background on RE Royalties Ltd.

RER is a corporation registered under the *Business Corporations Act* (British Columbia) and is based in Vancouver, British Columbia, Canada. RER's focus is to acquire a portfolio of long-term renewable energy royalty income streams, mainly from projects already in operations or in advanced stages of development. RER's portfolio currently consists of 11 separate royalties from 473 megawatts of operational and late stage development projects in Canada, USA (Texas) and Europe. RER's royalties are based on gross revenues, with revenues backed by long-term agreements from investment grade off-takers, and the royalty agreements are typically 20 years in duration. RER's mandate is to provide shareholders with (1) a strong growing yield (2) robust capital protection (3) high rate of growth through re-investment and (4) a sustainable investment focus. RER has a strong pipeline of projects and management is currently reviewing acquisition opportunities in Europe, Japan and North America.

RER's royalty financing products provide RER's partners with a financing alternative that is more flexible than traditional debt and less expensive than traditional equity, similar to other royalty financiers in the oil and gas, and mining industries. The small to mid-cap renewable energy project owner/operators represent a large market niche that is particularly underserved by traditional financial products. Royalty financing allows them to achieve their growth targets without resorting to either dilution or asset sales. RER is a pioneer and leader in providing royalty financing to this rapidly growing and underserved marketplace.

Qualifying Transaction Terms

The Transaction will be effected by way of a plan of arrangement, whereby Baetis will acquire from the shareholders of RER 100% of the issued and outstanding common shares of RER, and RER will become a wholly owned subsidiary of Baetis.

Subject to compliance with Exchange policies, Baetis will complete a consolidation of its common shares at a ratio of three (3) existing common shares for one (1) post-consolidation common share (the "Consolidation") concurrently with or immediately prior to and as a condition of the closing of the Transaction. The number of common shares issuable on exercise of outstanding Baetis warrants will be adjusted accordingly based on the Consolidation ratio. Following the Consolidation, Baetis will have 1,333,333 common shares outstanding and 66,667 agents' warrants outstanding with an exercise price of \$0.30.

Baetis will acquire from the shareholders of RER all of the issued and outstanding common shares of RER (the "RER Common Shares") and in consideration therefor, subject to Exchange approval, Baetis will issue to each shareholder of RER one (1) post-Consolidation common share in the capital of Baetis in exchange for each RER Common

Share held by such shareholder. In addition, Baetis will issue warrants and options in replacement of warrants and options outstanding in the capital of RER.

RER currently has issued and outstanding: (i) 15,850,189 RER Common Shares; (ii) warrants exercisable for 2,000,000 common shares at \$0.50 per share; and (iii) 1,180,000 stock options exercisable at \$0.80 per share.

RER will, concurrently with the Transaction, complete a private placement of securities, subject to the approval of the Exchange, for gross proceeds in the minimum amount of \$5,000,000 and a maximum of \$20,000,000, at \$1.00 per common share (the “RER Private Placement”). The RER Private Placement may be brokered or non-brokered. In the event that the RER Private Placement is brokered, the agent retained by RER will be paid customary compensation for such agency services, including finder’s warrants. The proceeds from the RER Private Placement will be used: (a) to fund the business of RER; (b) to pay for Transaction expenses; and (c) for general working capital purposes. RER anticipates the RER Private Placement will be closed by the end of September.

Baetis will also complete a non-brokered private placement, of post-Consolidated common shares at \$1.00 per share, subject to the approval of the Exchange, for gross proceeds in the minimum amount of \$275,000 (the “Baetis Private Placement”). The purpose of the Baetis Private Placement is to allow investors to participate via their registered investment accounts. Any common shares issued pursuant to the Baetis Private Placement will be subject to a mandatory hold period which will expire four months after closing of the Baetis Private Placement. Finder’s fees may be paid on a portion of the Baetis Private Placement, including the issuance of finder’s warrants.

Upon completion of the Transaction, the board of Resulting Issuer will be increased to seven members, six of whom will be nominated by RER, and one of whom will be nominated by Baetis. The directors and officers of the Resulting Issuer will be:

1) *Bernard Tan – CEO and Director*

Mr. Tan is the founder of RER and former Chief Financial Officer of Hunter Dickinson Inc. (HDI), where he managed diverse teams in the strategic development and execution of new opportunities for HDI, and provided financial oversight and governance on HDI’s portfolio of companies (up to \$2bn). He is also the former CFO of Curis Resources, a TSX publicly listed entity. He has over 15 years of experience in corporate finance in resource and technology and is a Recipient of Young Mining Leader award from Canadian Institute of Mining, Metallurgy & Petroleum. Mr. Tan is a CPA, CA and has a MBA (Finance) from McGill University and BComm from the University of British Columbia.

2) *Peter Leighton – COO*

Mr. Leighton is a co-founder of RER. Mr. Leighton is an experienced renewable energy executive with 20+ years of experience in mergers & acquisitions and project development in the energy sector. He is the former President and Chief Operating Officer of Finavera, where he delivered \$750 million worth of wind energy projects. Mr. Leighton is the former Chief Operating Officer of Accenture’s Business Services for Utilities and was a director of Clean Energy B.C. (from 2010 to 2016), and a director of Health Shared Services of British Columbia (from 2008 to 2018). Mr. Leighton has a BSc from Queens and MBA from University of British Columbia.

3) *Marchand Snyman – Chairman and Director*

Mr. Snyman is a co-founder of RER. Mr. Snyman has over 20 years of senior executive experience in global corporate finance, M&A, financing and divestiture activities. He also currently serves as a director and officer on a number of publicly traded companies. Mr. Snyman is currently a Director and the Chief Operating Officer of Hunter Dickinson Inc. Mr. Snyman is a Chartered (Australia and New Zealand) and a Chartered Accountant (South Africa).

4) *Stephen Cheeseman – Independent Director*

Mr. Cheeseman is the President of Chinook Power, where he identified and developed the 142MW Quality Wind Project. He is a current director of Clean Energy B.C. Mr. Cheeseman is the winner of the Canada Clean16 award for his dedication and contribution to sustainability and clean capitalism.

5) *Rene Carrier – Independent Director*

Mr. Carrier is the President of Euro-American Capital Corporation, a private investment company. Mr. Carrier currently serves as an independent director on various publicly traded companies and was a founding director of International Royalty Corp. ("IRC") from 2003 until sale of IRC for \$700 million in 2010.

6) *Gord Fretwell – Independent Director*

Mr. Fretwell is a former partner at a large Vancouver law firm. Mr. Fretwell is currently a partner for a boutique law firm in Vancouver practicing primarily in the areas of corporate and securities law. Mr. Fretwell was also a founding director of International Royalty Corp. ("IRC") from 2003 until sale of IRC for \$700 million in 2010.

7) *Jill Leversage – Independent Director*

Ms. Leversage is a senior investment banker with over 30 years of executive experience in investment banking and private equity. Ms. Leversage was the former Managing Director, Corporate & Investment Banking for TD Securities, a global investment bank and Former Managing Director at Highland West Capital Ltd., a private equity and merchant bank. She currently serves as a director on various public and private company boards. Ms. Leversage is a Chartered Business Valuator and a Fellow of the Institute of Chartered Accountants of BC.

8) *Paul Larkin – Independent Director*

Mr. Larkin is the President of the New Dawn Group, an investment and financial consulting firm primarily involved in corporate finance, merchant banking and administrative management of public companies. Mr. Larkin currently serves as a director on various publicly traded companies and he was a founding director, chairman of the audit and special purpose committees of US Geothermal Inc., a successful NYSE publicly listed renewable energy company that was acquired by Ormat Technologies Inc. in April 2018.

Mr. Paul Larkin, a proposed director of the Company, has entered into agreements to purchase 1,700,000 (pre-Consolidation) previously issued escrowed common shares of Baetis from current directors of the Company. Such agreements are subject to the approval of the Exchange.

In accordance with the policies of the Exchange, the Company intends to pay finders' fees in connection with the Transaction through the issuance of 200,000 post-Consolidation shares of Baetis.

Trading of Baetis' common shares will remain halted pending completion of the Transaction, subject to the earlier re-commencement of trading only upon Exchange approval and the filing of required materials with the Exchange as contemplated by Exchange policies.

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange final acceptance.

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 Exchange 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 Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

Additional information in connection with the Transaction will be provided in subsequent press releases.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Confidentiality is not requested.

Item 7 Omitted Information

No information has been omitted in respect of the material change.

Item 8 Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report.

Jonathan Younie, CEO
Telephone No.: 604 687 7767

Item 9**Date of Report**

September 28, 2018