

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

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

**Foremost Ventures Corp.**  
("Foremost" or the "Company")  
Suite 1510, 789 West Pender Street,  
Vancouver, B.C., V6C 1H2

**2. Date of Material Change:**

April 30, 2020 and May 1, 2020

**3. News Release:**

The news release with respect to the material change was disseminated through Stockwatch on May 4, 2020 and a copy subsequently filed on SEDAR.

**4. Summary of Material Change:**

The Company entered into an Agreement In Principle dated April 30, 2020, to complete a business combination with KWESST Inc. ("KWESST"), a privately-held developer and marketer of proprietary technology for applications in the military and homeland security market based in Ottawa, Ontario. Foremost intends the business combination to constitute its Qualifying Transaction ("QT") and intends to qualify as an Industrial or Technology Issuer.

The proposed QT contemplates (i) a share consolidation for Foremost; (ii) a brokered-private placement of subscription receipts in KWESST; and (iii) a three-cornered amalgamation among Foremost, KWESST and a wholly-owned subsidiary of Foremost. The proposed QT does not constitute a Non-Arm's Length Qualifying Transaction.

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

**5.1 Full Description of Material Change**

The material change is described above and is fully described in the Company's press release of May 4, 2020 attached hereto and as filed on SEDAR.

**5.2 Disclosure of Restructuring Transactions**

Not applicable.

**6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not Applicable

**7. Omitted Information:**

Not Applicable

**8. Executive Officer:**

John Thompson, Chief Executive Officer  
T: 604 926-4182  
jthompson@union-securities.com

**9. Date of Report:**

May 4, 2020

**FOREMOST VENTURES CORP. AND KWESST INC.  
TO COMPLETE BUSINESS COMBINATION**

**May 4, 2020, Vancouver, British Columbia:** Foremost Ventures Corp. (“**Foremost**”) (TSX-V: FMV.P) announced today that further to its news release dated March 3, 2020, it has entered into an Agreement In Principle dated April 30, 2020, as that term is defined by the TSX Venture Exchange (the “**TSX-V**”), to complete a business combination with KWESST Inc. (“**KWESST**”), a privately-held developer and marketer of proprietary technology for applications in the military and homeland security market based in Ottawa, Ontario. Foremost intends the business combination to constitute its Qualifying Transaction (the “**QT**”), as that term is defined by the TSX-V, and intends to qualify as an Industrial or Technology Issuer pursuant to the Policies of the TSX-V. The proposed QT is subject to TSX-V approval.

**Business Combination**

The proposed QT contemplates (i) a share consolidation (the “**Consolidation**”) for Foremost; (ii) a brokered-private placement (the “**KWESST Private Placement**”) of subscription receipts in KWESST (the “**KWESST Subscription Receipts**”); and (iii) a three-cornered amalgamation (the “**Business Combination**”) among Foremost, KWESST, and a wholly-owned subsidiary of Foremost. The proposed QT does not constitute a Non-Arm’s Length Qualifying Transaction, as that term is defined by the TSX-V.

*Consolidation*

Immediately before the completion of the Business Combination, Foremost intends to consolidate the Foremost common shares (the “**Foremost Shares**”), on a ratio equal to the issuance price of the KWESST Subscription Receipt, as agreed to in writing between KWESST and PI Financial Corp., the agent of the KWESST Private Placement (the “**Issuance Price**”), divided by \$0.15. Although the Consolidation does not require Foremost shareholder approval, Foremost held an annual general and special meeting of shareholders on May 1, 2020 to consider and approve, among other things, the Consolidation, which is a condition precedent to KWESST’s obligation to complete the Business Combination.

At the annual general and special meeting held on May 1, the shareholders of Foremost approved the election of Azim Dhalla, Frank Stronach, John McCoach, and John Thompson as directors until completion of the QT, and, conditional on and effective upon the completion of the QT, the election of David Luxton, Jeff MacLeod, Paul Kania, Paul Mangano, Paul Fortin, and John McCoach as directors of Foremost. The shareholders also approved the appointment of DMCL Chartered Professional Accountants until completion of the QT, and conditional on and effective upon the completion of the QT, the appointment of Kreston GTA as auditors of Foremost. Lastly, the shareholders approved the Consolidation, the change of name from Foremost Ventures Corp. to “KWESST Inc.” or such other similar name as the board, in its sole discretion, deems appropriate, and the resolution approving the stock option plan.

*KWESST Private Placement*

Shortly before the completion of the Amalgamation, KWESST also intends to complete a brokered private placement (the “**KWESST Private Placement**”) of KWESST Subscription Receipts, each of which will

automatically be exchanged for one post-Consolidation Foremost Share, at the Issuance Price, for aggregate gross proceeds of \$2,000,000. KWESST has engaged PI Financial Corp. (the “**Agent**”) to act, on a best efforts basis, as its agent in connection with the KWESST Private Placement. KWESST will pay to the Agent a cash commission equal to 6% of the gross proceeds of the KWESST Private Placement, and will grant to the Agent broker warrants (“**Agent’s Warrants**”) equal to 6% of the number of KWESST Subscription Receipts issued under the KWESST Private Placement. KWESST will pay all costs and expenses incurred in connection with the KWESST Private Placement (including without limitation, reasonable costs and expenses of the Agent up to \$4,000 to be exceeded only with the written approval of KWESST not to be unreasonably withheld, including fees and disbursements of the Agent’s legal counsel up to a maximum of \$50,000 before taxes and disbursements), all expenses of or incidental to the creation, issuance, sale and distribution of its securities, transfer agent and filing fees, all printing costs and all reasonable expenses of the Agent in connection with the marketing of the KWESST Private Placement. In the event the KWESST Private Placement is not completed because any condition has not been fulfilled or the engagement of the Agent has terminated, KWESST will be responsible for the payment of all of the expenses of the Agent otherwise payable by KWESST under the engagement letter. KWESST is not responsible for the payment of the expenses of the Agent if the Agent fails to secure any subscribers to the KWESST Private Placement. The proceeds of the KWESST Private Placement will be used to fund the continued development of the business of KWESST, as well as for general corporate and working capital purposes. The KWESST Private Placement is a condition precedent to the Business Combination.

### ***Business Combination***

The terms of the Business Combination are prescribed in an amalgamation agreement dated April 30, 2020 (the “**Agreement**”). Under the Agreement, KWESST will amalgamate with a wholly-owned subsidiary of Foremost, and each KWESST shareholder will receive one (1) Foremost Share (on a post-Consolidation basis) in exchange for each common share of KWESST (“**KWESST Share**”) held, at a deemed price equal to the Issuance Price, for an estimated aggregate number of 33,532,962 Foremost Shares at an aggregate deemed consideration to the KWESST shareholders of approximately \$25,149,721, assuming an Issuance Price of \$0.75.

Shortly after the completion of the Business Combination, Foremost will change its name to “KWESST Inc.” or such other name as the board of directors, in its sole discretion, deems appropriate, and will carry on the business of KWESST (the “**Resulting Issuer**”).

In addition, upon completion of the QT, pursuant to a technology (the “**Technology**”) acquisition letter of intent with DEFSEC Corporation (“**DEFSEC**”), KWESST may, subject to certain terms and conditions, issue to DEFSEC 1,000,000 KWESST Shares at a deemed price of \$0.45 per KWESST Share (“**KWESST DEFSEC Shares**”) and issue 500,000 common share purchase warrants of KWESST (“**KWESST DEFSEC Warrants**”). Each KWESST DEFSEC Warrant shall be exercisable to subscribe and purchase, from time to time and up to the fifth anniversary of the technology acquisition letter of intent, up to 500,000 KWESST Shares at a price of \$0.75 per KWESST Share. KWESST DEFSEC Warrants shall vest as of 25% on the first anniversary of the closing date (as defined in the technology acquisition letter of intent) and 25% on each of the following three anniversaries of the letter of intent. The KWESST DEFSEC Shares and the KWESST DEFSEC Warrants shall be issued once KWESST declares itself satisfied of its due diligence on the Technology, which shall be on or before June 30, 2020.

Moreover, pursuant to a licensing agreement between KWESST and AerialX dated November 18, 2019 and amended on February 29, 2020 (the “**AerialX License**”), KWESST has agreed to issue up to 300,000 KWESST Shares to AerialX (the “**AerialX Consideration Shares**”) at a deemed price of \$0.45 per KWESST Share, subject to attaining certain technical and financial milestones.

Lastly, KWESST has \$234,515.40 in principal amount of KWESST convertible notes (“**KWESST Notes**”) bearing interest at a rate of 10% per annum with a maturity date of October 23, 2021. KWESST Notes, and all accrued interest, will automatically convert into such number of KWESST Shares at a conversion rate equal to a twenty percent (20%) discount to the KWESST Private Placement Issuance Price upon closing of the Business Combination. At an Issuance Price of \$0.75, the KWESST Notes would be convertible into 390,859 KWESST Shares.

On March 1st, 2020, KWESST entered into a consulting agreement with SageGuild LLC (“**SageGuild**”), a Stafford, Virginia based company which provides strategic and operational enhancement advice to companies in the defense and security industries. Under the terms and conditions of the agreement, KWESST shall make payment to SageGuild for services rendered of USD \$21,500 per month (the “**Monthly Fee**”). The payment of the Monthly Fee shall be made as follows by KWESST at the end of every month during the currency of the agreement: (i) USD \$10,000 cash and (ii) the issuance of 366,000 common shares of KWESST at a price of CAD \$0.50 common share for an aggregate consideration of CAD \$183,000 (the “**SageGuild Shares**”). The SageGuild Shares shall be issued as to 30,500 shares per month. If KWESST has not achieved a listing of its common shares on a recognized stock exchange prior to July 31st, 2020, SageGuild shall have the option to elect to receive the Monthly Fee all in cash and no longer receive SageGuild Shares, in which case the Monthly Fee shall be reduced to USD \$20,000.

After completion of the QT, the current KWESST shareholders, the current Foremost shareholders, the KWESST Noteholders, and the subscribers to the KWESST Private Placement shall own all of the issued and outstanding securities of the Resulting Issuer. If, prior to completion of the QT, KWESST issues the KWESST DEFSEC Shares, all or a portion of the AerialX Consideration Shares, and all or a portion of the SageGuild Shares, the KWESST Shares issued pursuant to these transactions will be exchanged for Foremost Shares upon completion of the QT.

The Business Combination is subject to certain conditions, including:

- KWESST obtaining shareholder approval. KWESST will obtain KWESST shareholder approval in the form of a unanimous written consent or by holding a special meeting to seek shareholder approval of the Business Combination;
- Foremost shareholders have approved the filing of articles of amendment and Foremost having filed the articles of amendment in accordance with the BCBCA in respect of the name change of

Foremost;

- Approval of the QT by Foremost’s Board of Directors; and
- Satisfactory completion of due diligence.

Foremost intends to apply to the TSX-V for an exemption from the TSX-V’s sponsorship requirements in connection with the proposed QT. There is no assurance that an exemption will be granted. If an exemption is not granted, Foremost will be required to engage a sponsor for the QT.

Foremost expects the parties to complete the Business Combination no later than December 31, 2020.

### ***Post-Closing Capitalization***

There are currently: (a) 4,000,000 Foremost Shares issued and outstanding (of which 2,000,000 Foremost Shares are being held in escrow under Exchange Policy 5.4: *Escrow, Vendor Consideration and Resale Restrictions*); (b) 400,000 Foremost Shares reserved for issue under Foremost incentive stock options held by Foremost’s directors and officers; and (c) 200,000 Foremost Shares reserved for issue under Foremost agent’s warrants held by the agent that acted as Foremost’s agent in connection with its initial public offering in June 2018.

If Foremost completes the Consolidation as currently contemplated, then immediately prior to the completion of the proposed Business Combination there will be:

<b>Consolidation Ratio</b>	<b>Foremost Shares</b>	<b>Foremost Incentive Stock Options</b>	<b>Foremost Agent’s Warrant</b>
5:1	800,000	80,000	40,000
4:1	1,000,000	100,000	50,000
3:1	1,333,333	133,333	66,666
2:1	2,000,000	200,000	100,000

There are currently 30,475,436 KWESST Shares issued and outstanding. Additionally, 8,500,000 issued and outstanding share purchase warrants of KWESST exercisable at a price of \$0.20 per KWESST Share on or before June 14, 2024 (“**KWESST 2024 Warrants**”), 15,000 share purchase warrants of KWESST exercisable at a price of \$0.40 per KWESST Share on or before January 30, 2022 (“**KWESST 2022 Warrants**”), and 925,000 KWESST employee options exercisable on or before February 28, 2025 at a price of \$0.65 per KWESST Share (“**KWESST Options**”) are issued and outstanding. If any of the KWESST Options, the KWESST DEFSEC Warrants, the KWESST 2022 Warrants or the KWESST 2024 Warrants are exercised prior the completion of the QT, the KWESST Shares issued pursuant to such exercises shall be exchanged for Foremost Shares.

If KWESST completes the KWESST Private Placement for \$2 million at an Issuance Price of \$0.75 per Subscription Receipt, then immediately prior to the proposed QT, there will be 33,532,962 KWESST

Shares issued and outstanding, assuming the automatic conversion of 2,666,667 KWESST Subscription Receipts into 2,666,667 KWESST Shares, and the automatic conversion of the KWESST Notes into 390,859 KWESST Shares..

<b>Description</b>	<b>Number</b>
KWESST Shares issued and outstanding	30,475,436
KWESST Private Placement (1)	2,666,667
KWESST Notes conversion	390,859
<b>Sub-total:</b>	<b>33,532,962</b>
KWESST 2024 Warrants	8,500,000
KWESST 2022 Warrants	15,000
KWESST Options	925,000
KWESST Agent's Warrants	160,000
<b>Sub total:</b>	<b>9,600,000</b>
<b>Total:</b>	<b>43,132,962</b>
(1) Assumes Private Placement of \$2 million at \$0.75 per Subscription Receipt.	

Immediately upon completion of the proposed QT, there will be, assuming completion of the KWESST Private Placement and assuming a Consolidation ratio of 5:1, (i) 33,532,962 Resulting Issuer common shares issued and outstanding; (ii) up to 8,500,000 Resulting Issuer common shares reserved for issuance under the KWESST 2024 Warrants; (iii) up to 15,000 Resulting Issuer common shares reserved for issuance under the KWESST 2022 Warrants; (iv) up to 925,000 Resulting Issuer common shares reserved for issuance under the KWESST Options; (v) up to 1,000,000 Resulting Issuer common shares and 500,000 common share purchase warrants reserved for issuance under the KWESST DEFSEC Warrants; (vi) up to 160,000 Resulting Issuer common shares reserved for issuance under the Agent's Warrants; (iii) up to 40,000 Resulting Issuer common shares reserved for issuance under options held by the agent that acted on Foremost's behalf in connection with its initial public offering in June 2018; and (iv) up to 80,000 Resulting Issuer common shares reserved for issuance under incentive stock options held by Foremost's directors and officers.

Prior to the completion of the proposed QT, KWESST intends to complete a private placement of unsecured convertible promissory notes bearing interest at 15% per annum payable monthly in KWESST Shares to be issued at a deemed price of \$0.45 (the "**Convertible Notes**") for aggregate gross proceeds of approximately \$650,000. The Convertible Notes will convert automatically into KWESST Shares at a price of \$0.45 per KWESST Share, immediately before the completion of the QT, and upon completion of the QT, the KWESST Shares shall be exchanged for Foremost Shares. The holders of the Convertible Notes shall receive a commitment fee equal to 25% of the principal amount, payable in KWESST Shares, issued at a deemed price of \$0.45 per KWESST Share.

### **About KWESST**

The full corporate name of KWESST is KWESST Inc. KWESST was incorporated under the Ontario Business Corporations Act on April 24, 2017. KWESST's head office is located at Unit 1, 155 Terrence

Mathews Crescent, Ottawa, Ontario, K2M 2A8. The registered office is located at 1255 Katherine Street North R.R. #1, West Montrose, Ontario, N0B 2V0.

KWESST was formed in May 2017 by Jeffrey MacLeod, the President and CEO of KWESST, after having spent just short of twenty years as general manager of Colt Canada Corporation, a subsidiary of Colt Manufacturing LLC, a Connecticut based company which is one of the world's oldest designers, developers and manufacturers of firearms for military, personal defence and recreational purposes. KWESST was founded to pursue advanced projects within the defence and security fields. KWESST opened its offices in Kanata, Ontario in May of 2017.

Hiring a core team of highly experienced electronics, software and hardware engineers, with decades of experience in the defence electronics and sensors fields, KWESST immediately began development of its core technology. KWESST develops and markets innovative products to create intelligent tactical systems and proprietary technology for applications in the military and homeland security market. KWESST's core technology has multiple applications based on its micro integrated sensor software technology, or MISST, a proprietary integration of miniaturized sensors, optics, ballistics and software that provides affordable smart systems and mission capability. Current applications and offerings enable: (i) real-time networked situational awareness for soldiers and their weapons systems; (ii) smart management of ordnance systems; (iii) solutions for countering drone attacks and countermeasures against weaponized lasers. KWESST's management team has a long track-record of building companies in specialized high-demand areas of the global defence and security market.

#### Summary of Financial Information (CAD)

	<b>Three months ended March 31, 2020</b>  <b>(unaudited)</b>	<b>Fiscal Year Ended December 31<sup>st</sup>, 2019</b>  <b>(audited)</b>	<b>Fiscal Year Ended December 31<sup>st</sup>, 2018</b>  <b>(audited)</b>
<b>Revenues</b>	\$192,921	\$509,148	\$103,457
<b>Net loss</b>	(\$1,218,646)	(\$1,297,280)	(\$857,689)
<b>Current assets</b>	\$444,351	\$295,493	\$195,784
<b>Total assets</b>	\$1,212,804	\$550,087	\$532,330
<b>Trade payables and accrued liabilities</b>	\$642,592	\$623,307	\$1,718,963
<b>Total liabilities</b>	\$1,426,688	\$951,341	\$1,921,649
<b>Total equity</b>	(\$213,883)	(\$401,254)	(\$1,389,319)

#### Management and Principal Shareholders of KWESST

The management team of KWESST includes Jeffrey MacLeod (Chief Executive Officer), Paul Kania (Chief Financial Officer), and David Luxton (Executive Chairman). All members of the management team bring tremendous experience in the defense and security industry. Upon completion of the QT, Jeffrey MacLeod, of West Montrose, Ontario, will be a principal of the Resulting Issuer as director and Chief Executive Officer of the Resulting Issuer and will hold a controlling interest as a result of his ownership of 10,700,200 Resulting Issuer common shares, through 2573685 Ontario Inc., a personal holding company located in Ontario which is wholly-owned by Jeff MacLeod and his spouse, both residents of Ontario. David Luxton, of Merrickville, Ontario, will also be a principal of the Resulting Issuer as director and Executive Chairman of the Resulting Issuer and will hold 3,496,296 Resulting Issuer common shares through DEDSEC Corp., a company wholly-owned by David Luxton. Paul Kania, of Etobicoke, Ontario, will also be a principal of the Resulting Issuer as director and Chief Financial Officer of the Resulting Issuer and will hold 100,000 Resulting Issuer common shares.

### **About Foremost**

Foremost is a capital pool company created to identify and evaluate potential acquisitions of commercially viable businesses and assets that have the potential to generate profits and add shareholder value. Except as specifically contemplated by the TSX-V, until the completion of the QT, Foremost will not carry on business, other than the identification and evaluation of companies, businesses or assets with a view to completing a QT. The Foremost directors are John Thompson, Frank Stronach, Azim Dhalla, and John McCoach, which as a group beneficially own, or control or direct, directly or indirectly, approximately 50% of the issued and outstanding Foremost Shares.

### **About the Resulting Issuer**

Following the completion of the proposed QT, the Resulting Issuer will carry on KWESST's business. See the section of this press release entitled "About KWESST" for more details.

### ***Directors and Officers***

The following individuals will be the Resulting Issuer's directors and officers:

#### David Luxton, Executive Chairman and Director

David Luxton is an entrepreneur in the defense and security industry. He is a former Canadian infantry officer, and former senior official with the Canadian and British governments. In 1990 he founded Simunition Inc., a business that develops and sells simulated munitions for realistic close quarters combat training for military and law enforcement. Between 2003 and 2009, he led the expansion of Allen-Vanguard from \$5,000,000 to hundreds of millions of dollars in revenues, and remains Chairman of the company. He is also the former Executive Chairman of United Tactical Systems.

#### Jeffrey MacLeod, President, Chief Executive Officer and Director

Jeffrey MacLeod is an experienced defense industry executive, with over 20 years' experience in the small arms and advanced soldier systems fields. By establishing KWESST, he aimed to develop software and hardware systems, such as TASCs, to take existing legacy weapons and fully integrating them into the Soldier System. Prior to founding KWESST, from 1998 to 2017, Mr. MacLeod was the General Manager

of Colt Canada, a source of small firearms for the Canadian military. Jeffrey has a Bachelors' degree in Mechanical Engineering from The Technical University of Nova Scotia (now DalTech) and a Masters' degree in Military Vehicle Technology from the Royal Military College of Science. He is a Professional Engineer registered in the Province of Ontario.

Paul Kania – Chief Financial Officer

Paul Kania, CPA (NY), a registered Certified Public Accountant with the State of New York, is the Principal of PLK Accounting & Finance Inc., which provides CFO and Board services to publicly listed entities. Prior to founding PLK, Mr. Kania worked as an auditor at firms such as MNP LLP in Toronto, and Berdon LLP in New York City, before joining Brookfield Asset Management as a manager in their Corporate Finance department. Mr. Kania graduated with an HBA, Economics and Philosophy from the University of Toronto, and has a Finance and Accounting Certificate from Ryerson University.

Paul Mangano - Director

Mr. Mangano has more than 30-years of experience in the aerospace, defense, security, and firearms accessories sectors having worked for industry leaders -- Honeywell/AlliedSignal, Northrop, Smiths Aerospace, L-3 Technologies -- in various business development and general management capacities. Currently, Mr. Mangano is the Managing Director of Surculus Advisors LLC, a management consulting firm that provides senior organizational support and transaction advisory services to small to mid-size firms in the high technology sector, principally aerospace and defense.

Prior to his time at Surculus Advisors, Mr. Mangano served as the President of L-3 Technologies' Public Safety & Sporting business unit where he was responsible for the business strategy, financial performance, operational execution, and growth for a broad portfolio of optical sighting and visual augmentation systems including rifle scopes, night vision devices, thermal cameras, in-car video and automatic license plate recognition systems. Over his 9-year tenure in this position, he grew the business from \$18M to \$108M in sales (25% CAGR) while doubling operating margins and market share. In recognition of this performance, he and his team received L-3 Technologies' corporate award for "Outstanding Financial Performance by a Division" 5 times. Mr. Mangano holds a Bachelor of Science degree in Economics from Harvard University along with a Master of Business Administration in High Technology Management from Northeastern University. While at L-3, Mr. Mangano completed the Executive Development program at the University of Pennsylvania, The Wharton School. He also obtained his Green-Belt certification and participated in the Executive Development program during his tenure at AlliedSignal.

Paul Fortin - Director

Paul Fortin is a senior international business development executive with a demonstrated history of working within the legal, defense and security, and information technology sectors. He is currently a senior associate at David Pratt & Associates Inc. His early career included working in client capture, retention and channel development for the world's second largest Internet firm, PSINet; Canada's largest software company, Corel Corporation; and telecoms hardware provider, Crosskeys Systems, where he and a small group of colleagues raised angel investment to acquire and run a start-up. He has held senior business development positions within two of Canada's largest law firms, Gowling WLG and, more recently, Borden Ladner Gervais LLP, where he was responsible for the firm's defense and security, as well as international expansion strategies, which encompassed Asia Pacific, the United Kingdom, and the United States.

Specific to the defense sector, Mr. Fortin was involved in capturing and supporting prime and subprime clients in accessing major defense procurement projects related to the Tactical Armored Vehicle (TAPV) Canadian Surface Combatant (CSC) and the future fighter program. He has been exposed to all aspects of the defense procurement process from the navigation of RFP response support, compliance with export controls specific to the International Traffic in Arms Regulations (ITAR), access to Industrial Technical Benefits (ITBs) and disbursement of offsets, protection of intellectual property, mergers and acquisitions, as well as government relations.

His network includes exceptionally strong ties to the defense community and diplomatic defense attaché network, most notably with the United States (Air Force, Army, Navy, USMC), 5 Eyes, Korean, Ukrainian, Israeli and wider NATO and Middle Eastern (Gulf States).

Mr. Fortin studied Political Science at Carlton University where he majored in Soviet Studies. He holds a Diploma from Algonquin College of Applied Arts in Marketing and Advertising.

In addition, he is a designated Global Affairs “Champion” where he is frequently invited to participate in Government of Canada international Team Canada missions to speak on “Doing Business in Canada” and on “Foreign Direct Investment (FDI)” attraction.

#### John McCoach - Director

Mr. McCoach served as the President of the TSX Venture Exchange Inc. from July 2009 until he retired in July, 2016. Mr. McCoach also previously served as Senior Vice-President of the TSX Venture Exchange Inc. and as a senior executive in other roles since 2003. Prior to joining TMX Group, he served as a Senior Vice President of Corporate Finance for an independent Canadian investment dealer. He is a financial industry executive with experience in various strategic, management and operational roles. Mr. McCoach has over 35 years’ experience in the investment industry. He currently serves as Director of Capital Markets Authority Implementation Organization. He also served as a Director of the Canadian Venture Exchange, predecessor of the TSX Venture Exchange from 1999 to 2001.

#### **Reader Advisory**

Completion of the proposed QT is subject to a number of conditions, including but not limited to, TSX-V acceptance and, if applicable, pursuant to TSX-V requirements, majority of the minority shareholder approval. Where applicable, the proposed QT cannot close until the required shareholder approval is obtained. There can be no assurance that the proposed QT 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 proposed QT, any information released or received with respect to the proposed QT 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-V has in no way passed upon the merits of the proposed QT and has neither approved nor

disapproved the contents of this press release.

*Neither the TSX-V nor its regulation services provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this press release.*

*None of the securities of Foremost or KWESST have been registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities law, and may not be offered or sold in the United States or to, or for the account or benefit of, persons in the United States or “U.S. persons” (as such term is defined in Regulation S under the U.S. Securities Act) absent registration or an exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy in the United States nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.*

### **Forward-Looking Information Advisory**

This press release contains “forward-looking information”, which is disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action. The following table identifies the significant forward-looking information in this press release, and states the material factors or assumptions used to develop the forward-looking information, as well as the material risk factors that could cause actual results to differ materially from the forward looking information.

<b>Forward-looking Information</b>	<b>Material Assumptions</b>	<b>Material Risk Factors</b>
Proposed terms and timing of the proposed QT, as well as the capitalization of the Resulting Issuer upon completion of the proposed QT.	<p>General economic conditions will not prevent the parties and their advisors from completing the proposed QT on the terms, and within the time frames, contemplated in this press release.</p> <p>Parties will obtain all requisite approvals of the proposed QT, including Foremost shareholder approval of the Consolidation, KWESST shareholder approval of the Business Combination, and TSX-V approval of the proposed QT as Foremost's “Qualifying Transaction”.</p> <p>Investor interest in the KWESST Private Placement will be high.</p> <p>Parties and their advisors possess the requisite skills and</p>	<p>A number of factors, including general economic conditions, failure to obtain all requisite approvals of the proposed QT, and lack of investor interest in the proposed QT, may force the parties to revise the terms of, delay, or cancel, the proposed QT.</p>

	experience to complete the proposed QT on the terms, and within the time frames, contemplated in this press release.	
Directors and officers of the Resulting Issuer	The proposed directors and officers of the Resulting Issuer satisfy the TSX-V suitability requirements for directors and officers of a TSX-V-listed issuer.	The proposed directors and officers of the Resulting Issuer may not satisfy the TSX-V suitability requirements for directors and officers of a TSX-V-listed issuer.
Business of the Resulting Issuer	<p>General economic conditions will not prevent the Resulting Issuer from carrying on its intended business.</p> <p>Parties and their advisors possess the requisite skills and experience to carry out the Resulting Issuer's business plan and deal with any unforeseen marketability or product issues.</p> <p>Investor interest in and support of the Resulting Issuer will be high.</p>	Assuming the completion of the proposed QT, a number of factors, including general economic conditions, unforeseen marketability or product issues and lack of investor interest or support, may force the Resulting Issuer to change its business from the development and distribution of defense and security products to some other business.

Foremost's views regarding possible events, conditions or financial performance may change. However, Foremost does not intend to update the forward-looking information in this press release, except as required by applicable securities legislation.

#### **Further Information**

For further information, please contact:

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