

BC FORM 51-102F3

Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

Item 1. Reporting Issuer

PKS Capital Corp.
Suite 2050 – 1055 West Georgia Street
PO Box. 11121
Vancouver, BC V6E 3P3

Item 2. Date of Material Change

June 4, 2020

Item 3. News Release

Issued on June 4, 2020 at Vancouver, BC, Canada.

Item 4. Summary of Material Change

PKS announces that it has entered into a letter of intent dated June 1, 2020 with Horizon Gold Ltd., whereby PKS is proposing to acquire 100% of Horizon Gold by way of business combination.

Item 5. Full Description of Material Change

See attached press release.

Item 6. Reliance on Section 85(2) of the Act

N/A

Item 7. Omitted Information

None

Item 8. Senior Officers

The following senior officers of the Issuer are knowledgeable about the material change and may be contacted by the Commission at the address and telephone number:

Hari Varshney
Director, CEO & CFO
(604) 684-2181

Peeyush Varshney
Director
(604) 684-2181

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated this 4th Day of June, 2020

"Hari Varshney"

Hari Varshney

Name

CEO, CFO & Director

Position / Title

Vancouver, B.C.

Place of Declaration

PKS CAPITAL CORP.
NEWS RELEASE

TSXV: PKS.P

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**PKS Capital Corp. Announces Letter of Intent
to acquire Horizon Gold Ltd.**

Vancouver, British Columbia – Thursday, June 4, 2020 - PKS Capital Corp. (“PKS” or the “Company”) is pleased to announce that it has entered into a letter of intent dated June 1, 2020 (the “LOI”) with Horizon Gold Ltd. (“**Horizon Gold**”), whereby PKS is proposing to acquire 100% of Horizon Gold by way of business combination (the “**Proposed Transaction**”). PKS intends that the Proposed Transaction will constitute its Qualifying Transaction, as such term is defined in the policies of the TSX Venture Exchange (the “**Exchange**”). Upon completion of the Proposed Transaction, the resulting issuer will operate under the name Horizon Gold Corp. (the “**Resulting Issuer**”), or such other name as may be approved by the board and the Exchange. In connection with the Proposed Transaction, the Resulting Issuer will apply to list its common shares on the Exchange, and it is anticipated that the Resulting Issuer will be a Tier 2 mining company.

The Proposed Transaction is an arm’s length transaction.

About Horizon Gold Ltd

Horizon Gold Ltd is a company incorporated in the United Kingdom. The owners of Horizon Gold are Anders West (Swedish), Douglas J. Kirwin (Australian), Aidan Bishop (British) and Rupert Williams (British). Financial information of Horizon Gold, including any liabilities, will be provided in future public filings with the Exchange.

Horizon Gold is a mineral exploration company focused on gold discovery in mineral-rich Sweden. The mining industry in Sweden extends back over a thousand years. Sweden covers part of the Fennoscandian shield, a mineral rich but relatively unexplored region which offers excellent ore discovery potential, in particular under widespread shallow glacial till cover.

Horizon Gold is in the process of completing the acquisition of the Vittanträsket nr 1 Exploration Permit from a Swedish company. The Vittanträsket nr 1 tenement, no 2019000975 is located in the municipality of Lycksele in the county of Västerbottens län in Sweden. The tenement area covers 3,724.17 hectares and is categorized for gold, copper and nickel mineralisation. The permit is valid until 20 December 2022. The tenement is located in the heart of the Swedish Gold belt. The Geological Survey of Sweden has carried out extensive reconnaissance regional geochemical moraine sampling, covering most of the country. The largest and most prominent gold-anomalous area is located within the Vittanträsket nr 1 tenement.

The gold belt hosts the Agnico Eagle Barsele joint venture project which has an inferred mineral resource estimate of 2,086,000 oz of gold at 2.54 g/t and Dragon Mining’s Svartliden mine which produced 377,347 oz of gold at an average head grade of 4.1 g/t. The former Boliden Mine is also located in the gold belt which produced over 4 million oz of gold before closing in 1967 and was once Europe’s largest and richest gold mine. Mineralization hosted on adjacent and/or nearby properties is not necessarily indicative of mineralization hosted on the Vittanträsket nr 1 tenement.

Horizon Gold’s strategy is to capitalize on its early mover position in the region and intends to increase its landholding within the gold belt.

Transaction Summary

Pursuant to the LOI, the Proposed Transaction can proceed by way of a share exchange, amalgamation, arrangement or similar form of transaction whereby the shareholders of Horizon Gold will receive common shares of the Resulting Issuer in exchange for their securities of Horizon Gold. The final form of the transaction will be set forth in a definitive agreement to be entered into among the parties that will replace the LOI (the “**Definitive Agreement**”).

An aggregate of 6,150,000 common shares of PKS are currently issued and outstanding and a further 765,000 common shares of PKS are reserved for issuance under outstanding share purchase warrants and stock options. No consolidation of the PKS common shares will

take place in conjunction with this transaction. It is expected that 20,600,000 common shares of PKS will be issued to the shareholder(s) of Horizon Gold to acquire Horizon Gold.

Completion of the Proposed Transaction is subject to a number of conditions, including, but not limited to, completion of the Exchange approval, and shareholder approval, if required pursuant to Exchange or corporate law requirements. In addition, completion of the Proposed Transaction is subject to certain standard closing conditions, including the completion of due diligence investigations to the satisfaction of each of PKS and Horizon Gold, execution of a Definitive Agreement, and there being no material adverse change in the business of PKS or Horizon Gold prior to completion of the Proposed Transaction.

Financing

In connection with the closing of the Proposed Transaction, PKS will complete a private placement (the “**Concurrent Private Placement**”) of a minimum of \$1,000,000 CDN at a price of \$0.25 CDN per share.

The Resulting Issuer’s Management

In connection with the Proposed Transaction, it is expected that there will be changes to PKS’s management and Board of Directors (further details of such proposed appointments and nominees will be provided as the Proposed Transaction progresses). A new board nominated by Horizon Gold will be appointed and a majority of the current directors and officers of PKS shall resign at or prior to the closing of the Proposed Transaction.

The following will be appointed as members of management and board of the resulting issuer:

Anders West - Chief Executive Officer and Director

Mr. West is a Swedish Mining Engineer and Economic Geologist. He is the Managing Director of Goldore in Sweden. He previously managed Wolfland Resources in the Philippines until 2013 where he managed the Bottilao porphyry and the Mainit Gold projects. Prior to that, he was the consulting geologist of Mindex and initiated the Sablayan Nickel Project. After working in the Philippines, Mr. West managed Orezone AB (publ), now Euro Battery Metals, in Sweden.

Douglas J. Kirwin, MSc (Applied Geology), FSEG, FAUSIMM, FAIG, MSGA - Technical Advisor

Mr. Kirwin is an independent geologist with 45 years of international experience. He has held senior positions with Anglo American and Amax during the 1970s. In 1995, he accepted a role as VP Exploration for Indochina Goldfields and subsequently became Executive VP of Ivanhoe Mines Limited until 2012, after which Ivanhoe was acquired by Rio Tinto.

As a member of the joint discovery team for the Hugo Dummett deposit at Oyu Tolgoi in Mongolia, Mr. Kirwin was a co-recipient of the PDAC inaugural Thayer Lindsley medal awarded for the most significant international mineral discovery in 2004. Other mineral discoveries made by his exploration team include the Jelai-Mewet and Seryng epithermal deposits in northeast Kalimantan, the Eunsan, Moisan and Gasado gold mines in South Korea, the Moditaung gold deposits in Myanmar and the Merlin Re-Mo deposit in Australia.

Mr. Kirwin holds a Master of Science degree in mineral exploration from James Cook University, where he is currently an adjunct professor.

Aidan Bishop - Director

Mr Bishop is the founder and Executive Director of London listed Bluebird Merchant Ventures Ltd, a gold development company that is focused on reopening two historic underground gold mines in South Korea and targeting gold production to commence in 2021.

Mr Bishop is the founder and Executive Director of a London listed technology company, BigDish Plc. BigDish operates a dynamic pricing restaurant booking app in the United Kingdom and also has operations in the Philippines.

Rupert Williams - Director

Mr Williams started his career in 1992 as a mining broker at First Marathon Securities where he helped finance Lytton Minerals and Mountain Province Diamonds in their exploration of the Northwest Territories. He moved to investment bank, T. Hoare & Co in 1994 and later co-founded Ocean Equities, a mining focused broker listing numerous companies in the sector on the AIM, TSX and ASX markets; most notably looking after all the early fundings for Kirkland Lake Gold. After divesting in 2013 he went on to found Smaller

Company Capital Ltd in 2014. He has been involved in bringing several early stage companies successfully to the market both in Canada and the UK. Mr Williams is a Director of TSX Venture Exchange listed Goldhills Holdings Ltd.

Peeyush Varshney - Independent Director

Mr Varshney has been actively involved in the capital markets since 1996 and has been a principal of Varshney Capital Corp., a private merchant banking, venture capital and corporate advisory firm, since 1996. He obtained a Bachelor of Commerce degree (Finance) in 1989 and a Bachelor of Laws in 1993, both from the University of British Columbia. Mr Varshney has been a member of the Law Society of British Columbia since September, 1994. He is currently a director or officer of several public companies listed on the TSX Venture Exchange including ZincX Resources Corp. and E3 Metals Corp.

The Company intends to hold a special meeting of its shareholders with respect to the Proposed Transaction if required under securities law or Exchange requirements. As this is an arm-length transaction shareholder approval is not anticipated.

Trading of the common shares of the Company has been halted and will remain halted in accordance with Exchange policies until all required documentation with respect to the Proposed Transaction has been received and the Exchange is otherwise satisfied that the halt should be lifted.

No advances or deposits from PKS to Horizon Gold are anticipated.

Sponsorship of a Qualifying Transaction is required by the Exchange unless an exemption from the sponsorship requirement is available. PKS intends to apply for an exemption from sponsorship for this Proposed Transaction. There is no assurance that an exemption from this requirement will be obtained.

A press release with further particulars relating to the Proposed Transaction will follow in accordance with the policies of the Exchange, which will include a summary of the Definitive Agreement and transaction consideration, and other relevant information on the Proposed Transaction and related financings.

About PKS Capital Corp.

PKS is a CPC that completed its initial public offering and obtained a listing on the Exchange in August 2019 (trading symbol: "PKS.P"). It does not own any assets, other than cash or cash equivalents and its rights under the LOI. The principal business of PKS is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to acceptance by the Exchange so as to complete a qualifying transaction in accordance with the policies of the Exchange.

ON BEHALF OF THE BOARD of DIRECTORS
PKS CAPITAL CORP.

Hari Varshney
Chief Executive Officer

For further information please contact:

Investor Relations

Satnam Brar

Tel: 604-684-2181

Cautionary Statement

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Proposed 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 the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.