

## MATERIAL CHANGE REPORT

### ***Item 1 — Name and Address of Company***

Spitfyre Capital Inc. (the "**Corporation**" or "**Spitfyre**")  
Suite 1600, 1 First Canadian Place  
100 King Street West,  
Toronto, Ontario, M5X 1G5

### ***Item 2 — Date of Material Change***

October 4, 2023

### ***Item 3 — News Release***

The news release announcing the material change was disseminated through Cision Newswire services on October 5, 2023. The news release was also subsequently filed on the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### ***Item 4 — Summary of Material Change***

On October 5, 2023, Spitfyre announced that it had entered into a definitive agreement (the "**Amalgamation Agreement**") with Spitfyre's wholly-owned subsidiary, 15363497 Canada Inc. ("**Subco**"), and NeoTerrex Corporation ("**NeoTerrex**"). It is expected that the Amalgamation Agreement will constitute Spitfyre's "Qualifying Transaction" (the "**Proposed Transaction**") under *Policy 2.4 – Capital Pool Companies* of the TSX Venture Exchange (the "**TSXV**").

Prior to the completion of the Proposed Transaction, NeoTerrex and Spitfyre are expected to complete a brokered private placement (the "**Private Placement**") through iA Private Wealth Inc. as lead agent (the "**Agent**") with a syndicate of agents including Canaccord Genuity Corp., for aggregate gross proceeds of a minimum of \$2,000,000 and a maximum of \$2,000,000, subject to the Agent's Option (defined below).

### ***Item 5 — Full Description of Material Change***

#### ***5.1 — Full Description of Material Change***

On October 5, 2021, Spitfyre announced that it had entered into the Amalgamation Agreement with Subco and NeoTerrex. Pursuant to the Proposed Transaction, it is contemplated that Subco, will amalgamate with NeoTerrex (the "**Amalgamation**") and the security holders of NeoTerrex will become security holders of Spitfyre to complete Spitfyre's "Qualifying Transaction" under *Policy 2.4 – Capital Pool Companies* of the TSXV. In this material change report, Spitfyre, as it will exist after the completion of the Proposed Transaction, is referred to as the "**Resulting Issuer**".

Under the Proposed Transaction, the existing holders of common shares of NeoTerrex (the "**NeoTerrex Common Shares**") will receive common shares of the Resulting Issuer ("**Resulting Issuer Common Shares**") in exchange for their NeoTerrex Common Shares. It is expected that 59,744,000 Resulting Issuer Common Shares will be issued to the security holders of NeoTerrex (not including NeoTerrex Common Shares issuable upon the conversion of Subscription Receipts (as defined below)).

Prior to the completion of the Proposed Transaction, NeoTerrex and Spitfyre are expected to complete the Private Placement the Agent with a syndicate of agents including Canaccord Genuity Corp., for aggregate gross proceeds of a minimum of \$2,000,000 and a maximum of \$2,000,000, subject to the

Agent's Option (defined below), of (a) subscription receipts of NeoTerrex and/or Spitfyre (the "NeoTerrex CS Subscription Receipts" and the "Spitfyre CS Subscription Receipts", respectively, hereafter collectively referred to as the "**CS Subscription Receipts**"), at a price of \$0.25 per CS Subscription Receipt, and (b) flow-through subscription receipts of NeoTerrex (the "**NeoTerrex FT Subscription Receipts**" and, together with the CS Subscription Receipts, the "**Subscription Receipts**"), at a price of \$0.30 per NeoTerrex FT Subscription Receipt, provided that the aggregate gross proceeds from the sale of the NeoTerrex FT Subscription Receipts may not be greater than two times the aggregate gross proceeds from the sale of the CS Subscription Receipts. It is anticipated that the Agent will be granted an option, exercisable in whole or in part at the closing of the Private Placement, to increase the size of the Private Placement by up to an aggregate of \$500,000 (the "**Agent's Option**").

In consideration for their services in connection with the Private Placement, NeoTerrex will pay to the Agent a cash commission equal to 7.5% of the aggregate gross proceeds from the sale of the Subscription Receipts (including Subscription Receipts issued pursuant to the exercise of the Agent's Option), 50% of which commission will be paid on the closing date of the Private Placement with proceeds from the sale of NeoTerrex CS Subscription Receipts and NeoTerrex FT Subscription Receipts. The remaining 50% of the commission will be deposited in escrow. As additional consideration for the services of the Agent, concurrently with the exchange of the Subscription Receipts into underlying securities (if and when), NeoTerrex and Spitfyre will issue to the Agent warrants to purchase NeoTerrex Common Shares and/or Spitfyre common shares, as applicable, in an amount equal to 7.5% of the number of issued CS Subscription Receipts (including CS Subscription Receipts issued pursuant to the exercise of the Agent's Option), which warrants shall be exercisable at any time up to 24 months following the date of issuance thereof at a price of \$0.25 per share (the "**CS Broker Warrants**"), and in an amount equal to 7.5% of the number of issued NeoTerrex FT Subscription Receipts (including NeoTerrex FT Subscription Receipts issued pursuant to the exercise of the Agent's Option), which warrants shall be exercisable at any time up to 24 months following the date of issuance thereof at a price of \$0.30 per share ("**NeoTerrex FT Broker Warrants**", and together with the CS Broker Warrants, the "**Broker Warrants**"). A reduced cash commission equal to 3% is payable and a reduced number equal to 3% of Broker Warrants are issuable in respect of the sale of Subscription Receipts (including Subscription Receipts issued pursuant to the exercise of the Agent's Option) to purchasers identified by NeoTerrex or Spitfyre to the Agent up to a maximum aggregate total of \$750,000 of the amount of the Private Placement. As further consideration for the services provided in connection with the Private Placement, NeoTerrex has agreed to pay iA Private Wealth Inc. a non-refundable work fee of \$20,000 plus applicable taxes.

Immediately after the closing of the Proposed Transaction (the "**Closing**"), based on the number of NeoTerrex Common Shares outstanding as of the date thereof, and assuming the exchange of each Subscription Receipt into underlying securities, it is expected that there would be a minimum of approximately 72,605,111 Resulting Issuer Common Shares and a maximum of approximately 75,494,000 Resulting Issuer Common Shares (assuming the full exercise of the Agent's Option) outstanding upon completion of the Proposed Transaction, on a non-diluted basis. On completion of the Proposed Transaction, the current shareholders of Spitfyre are expected to hold an aggregate of approximately 5,750,000 Resulting Issuer Common Shares, representing approximately 7.92% of the minimum number of Resulting Issuer Common Shares and approximately 7.62% of the maximum number of Resulting Issuer Common Shares (assuming the full exercise of the Agent's Option), the current shareholders of NeoTerrex would hold an aggregate of 59,744,000 Resulting Issuer Common Shares, representing approximately 82.29% of the minimum number of Resulting Issuer Common Shares and approximately 79.14% of the maximum number of Resulting Issuer Common Shares (assuming the full exercise of the Agent's Option), and investors in the Private Placement would hold an aggregate of a minimum of approximately 7,111,111 Resulting Issuer Common Shares and a maximum of approximately 10,000,000 Resulting Issuer Common Shares (assuming the full exercise of the Agent's Option), representing approximately 9.79% of the minimum number of Resulting Issuer Common Shares and approximately 13.25% of the maximum number of Resulting Issuer Common Shares.

The Proposed Transaction itself is not subject to Spitfyre shareholder approval. Spitfyre intends to hold an annual and special meeting of its shareholders in October 2023 to approve certain matters related to the Proposed Transaction (the "**Spitfyre Meeting**"). Additional details regarding Spitfyre Meeting are available in a management information circular filed on the Corporation's SEDAR+ profile. The Amalgamation will be approved by the sole shareholder of Subco by way of a written resolution. The Amalgamation will further require the approval of the shareholders of NeoTerrex.

Subject to the approval of the shareholders of Spitfyre at the Spitfyre Meeting and the TSXV, on completion of the Proposed Transaction, the parties also anticipate that in conjunction with and upon Closing, the board of directors of the Resulting Issuer will comprise of five directors consisting of the following individuals: Mathieu Stephens, Alastair Neill, V.E. Dale Burstall, Rajesh Sharma and Denis Pilon. The executive officers of the Resulting Issuer will consist of Mathieu Stephens (President and Chief Executive Officer) and Vatché Tchakmakian (Chief Financial Officer and Corporate Secretary).

As part of the Proposed Transaction, the Resulting Issuer is expected to change its name to "NeoTerrex Incorporated", and the Resulting Issuer will be a mining issuer under the policies of the TSXV.

Completion of the Proposed Transaction is subject to the satisfaction of all necessary regulatory and shareholder approvals in connection with the matters described above and other certain closing conditions as set out in the Amalgamation Agreement, including receipt of all applicable shareholder and TSXV approvals.

The Proposed Transaction is not a Non-Arm's Length Qualifying Transaction (as defined in the policies of the TSXV).

NeoTerrex is the reverse take-over acquirer in the transaction. No finder's fees or commissions were paid or are payable by Spitfyre or NeoTerrex in connection with the Proposed Transaction other than with respect to the Private Placement.

## ***5.2 — Disclosure for Restructuring Transactions***

Not applicable.

### ***Item 6 — Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102 – Continuous***

Not applicable.

### ***Item 7 — Omitted Information***

No information has been omitted from this material change report.

### ***Item 8 — Executive Officer***

Matthew McMillan  
Chief Executive Officer  
Telephone: (905) 484-7698  
Email: [matthew@spitfyrecapital.com](mailto:matthew@spitfyrecapital.com)

### ***Item 9 — Date of Report***

October 16, 2023

*Notice on forward-looking statements:*

*This material change report includes forward-looking information within the meaning of Canadian securities laws regarding Spitfyre and NeoTerrex and their respective businesses, which may include, but are not limited to, statements with respect to the completion of the Private Placement, the Proposed Transaction, the terms on which the Private Placement and/or the Proposed Transaction are intended to be completed, the proposed Agent's compensation, the ability to obtain regulatory and shareholder approvals and other factors. Often but not always, forward-looking information can be identified by the use of words such as "expect", "intends", "anticipated", "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would" or "will" be taken, occur or be achieved. Such statements are based on the current expectations and views of future events of the management of each entity, and are based on assumptions and subject to risks and uncertainties. Although the management of each entity believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. The forward-looking events and circumstances discussed in this material change report, including completion of the Proposed Transaction (and the proposed terms upon which the Proposed Transaction is proposed to be completed), may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including risks regarding market conditions, economic factors, management's ability to manage and to operate the business of the Resulting Issuer and the equity markets generally. Although Spitfyre and NeoTerrex have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on any forward-looking statements or information. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and neither Spitfyre nor NeoTerrex undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.*