FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

1348515 B.C. Ltd. (the "**Company**")
1 Adelaide Street East Suite 801
Toronto, Ontario M5C 2V9

Item 2: Date of Material Change

May 11, 2023.

Item 3: News Release

A news release was issued by the Company on May 12, 2023, via EIN Presswire and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Change

See Item 5.1 below.

Item 5.1: Full Description of Material Change

On May 11, 2023, the Company completed a non-brokered private placement of 1,400,000 common shares in the capital of the Company ("**Common Shares**") to certain subscribers (the "**Subscribers**") through the issuance of 1,400,000 Common Shares at a price of $0.10 per share for aggregate gross proceeds of $140,000 (the "**Private Placement**").

The below sections contain the applicable portions of the disclosure required by Part 5 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

Two insiders of the Company, Jennifer Goldman ("**Goldman**") and L5 Capital Inc. ("**L5**", together with Goldman, the "**Insiders**") participated in the Private Placement and accordingly, the Private Placement is considered a "related party" transaction pursuant to MI 61-101. The Company relied on the "Issuer Not Listed on Specified Markets" and "Fair Market Value not more than $2,500,000" exemptions from the formal valuation and minority shareholder approval requirements, respectively, under MI 61-101. The Company is filing this material change report on SEDAR less than 21 days prior to the closing of the Private Placement as the Company requires the consideration it will receive in connection with the Private Placement immediately.

All securities issued pursuant to the Private Placement are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

(a) Description of the transaction and its material terms:

Pursuant to the Private Placement, the Company issued 1,400,000 Common Shares at a price of $0.10 per share for aggregate gross proceeds of $140,000.

(b) Purpose and business reasons for the transaction:

The issuance of shares was completed in order to raise funds for general corporate purposes.

(c) Anticipated effect of the transaction on the Corporation's business and affairs:

The completion of the Private Placement increased the Company's available working capital, and the Company intends to use this increased working capital to fund general corporate purposes.

(d) A description of:

i. the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

In connection with the Private Placement, the Insiders acquired an aggregate of 1,200,000 Common Shares at $0.10 per share in exchange for an aggregate price of $120,000.

Goldman acquired 500,000 Common Shares for an aggregate price of $50,000.

L5 acquired 700,000 Common Shares for an aggregate price of $70,000.

ii. the anticipated effect of the transaction on the percentage of securities of the Company, or of an affiliated entity of the Company, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

Following the closing of the Private Placement, the Insiders collectively hold 2,700,000 Common Shares representing approximately 93.10% of the issued and outstanding Common Shares on an undiluted and partially diluted basis.

Pursuant to share transfer agreements, both Insiders transferred certain shares to a third party and the updated number and percentages set forth below are inclusive of such transfers.

Goldman now holds 766,666 Common Shares representing 26.44% of the issued and outstanding Common Shares of the Company on an undiluted and partially diluted basis.

L5 now holds 966,667 Common Shares representing 33.33% of the issued and outstanding Common Shares of the Company on an undiluted and partially diluted basis.

(e) Unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the Company for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

The Private Placement was approved by the directors of the Company through a written consent resolution passed on May 11, 2023.

(f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) Disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the Company that relates to the subject matter of or is otherwise relevant to the transaction:

i. that has been made in the 24 months before the date of the material change report:

Not applicable.

ii. the existence of which is known, after reasonable enquiry, to the Company or to any director or officer of the Company:

Not applicable.

(h) The general nature and material terms of any agreement entered into by the Company, or a related party of the Company, with an interested party or a joint actor with an interested party, in connection with the transaction:

The Company entered into subscription agreements with each Insider.

(i) Disclosure of the formal valuation and minority approval exemptions, if any, on which the Company is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The Company relied upon the "Issuer Not Listed on Specified Markets" exemption from the formal valuation requirement under Section 5.5(b) of MI 61-101. The Company is exempt from the formal valuation requirement as no securities of the Company are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States.

The Company relied upon the "Fair Market Value Not More Than $2,500,000" exemption from minority shareholder approval requirements under Section 5.7(1)(b) of MI 61-101 on the basis that none of the Company's securities are listed or quoted on any of the markets prescribed in 5(1)(b)(i) of MI 61-101; neither the fair market value of the Common Shares issued to related parties pursuant to the Private Placement, nor the consideration paid by the related parties in exchange for the Common Shares distributed pursuant to the Private Placement exceed $2,500,000; and, the Private Placement was unanimously approved by the board of directors, all of whom are independent in respect of the Private Placement and are not employees of the Company.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7: Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8: Executive Officer

For additional information with respect to this material change, the following person may be contacted:

TJ Finch
Chief Executive Officer, Chief Financial Officer & Director
T: (647) 738-8063
E: tj@kilncapitaladvisors.com

Item 9: Date of Report

May 16, 2023