

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

PUDO Inc. ("**PUDO**" or the "**Company**")
6600 Goreway Drive Unit D
Mississauga, ON L4V 1S6

Item 2. Date of Material Change

November 8, 2018

Item 3. News Release

News release disseminated on November 8, 2108, via a Canadian news wire service and filed on SEDAR.

Item 4. Summary of Material Change

The Company closed a non-brokered private placement of unsecured convertible debentures of the Company totaling \$100,000 CAD, bearing interest at a rate of twelve percent (12%) per annum, which shall accrue monthly and shall be payable on the maturity date, being November 8, 2019. At any time prior to repayment, the outstanding principal of the convertible debenture may be converted, at the option of the lender, into common shares of the Company at a price per common share of \$0.95 CAD and shall be subject to a four month and one day hold period. The proceeds are committed to general working capital. At any time prior to repayment, up to the entire amount of interest owing is convertible at the option of the lender at market price at that the date of election to convert interest into common shares of the Company.

Item 5. Full Description of Material Change

- A. The Corporation offered for sale by way of a non-brokered private placement (the "Offering") to certain "accredited investors" in Canada (each a "Subscriber" and collectively, the "Subscribers") unsecured convertible debentures (a "Debenture" or "Debentures") of the Corporation for aggregate gross proceeds of up to \$100,000 (the "Principal Amount") at the subscription price of \$1,000 per \$1,000 in the Principal Amount maturing on November 8, 2019 (the "Maturity Date") and bearing interest at a rate of twelve percent (12%) per annum.
- B. The Principal Amount of the Debentures may, at any time in whole or in part, be converted at the option of the holder thereof (the "Election"), into common shares of the Corporation (each, a "Common Share") at a conversion price of \$0.95 per share, subject to adjustment in certain events (the "Conversion Price"), at any time up to and including the Maturity Date, all pursuant to the terms of the Debentures and the certificates representing the Debentures;

- C. Interest shall accrue monthly on a 30/360 basis and shall be payable on the Maturity Date, unless the entire Principal Amount of this Debenture is converted prior to the Maturity Date;
- D. The Subscriber, at its sole election, may choose to settle any accrued and unpaid interest upon an Election through the issuance of that number of Common Shares (“Interest Shares”) whose value is equal to 100% of the accrued and unpaid interest at a conversion price per Common Share equal to the closing price (the “Interest Conversion Price”) of the Common Shares on the Canadian Securities Exchange (“CSE”) on the last trading day prior to the Election
- E. Richard Cooper, a director of the Corporation, has disclosed pursuant to section 132 of the Business Corporations Act (Ontario) (the “Act”), the nature and extent of his interests in the Offering;
- F. An entity controlled by Mr. Cooper, a director of the Company, has subscribed for a principal amount of \$50,000 Debentures in the Offering.
- G. The sale of Debentures to the entity controlled by Mr. Cooper is a “related party transaction” as such term is defined by Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“MI 61-101”) under applicable securities laws. However, the Corporation is exempt from the MI 61-101 valuation and minority approval requirements for related party transactions because neither the fair market value of the subject matter of, nor the fair market value of the consideration for such transactions exceeds 25 per cent of the Corporation’s market capitalization as of the date hereof.

For further information, please see the press release attached as Schedule “A”.

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

Not Applicable.

Item 7. Omitted Information

No information has been omitted from this Material Change Report.

Item 8. Executive Officer

An executive officer of the Company is knowledgeable about the material change and the Material Change Report may be contacted through Karen Speight, Administration Director, Tel. 1 (506) 694-1250.

Item 9. Date of Report

November 9, 2018

SCHEDULE "A"

/Not for distribution to United States newswire services or for dissemination in the United States/

PUDO Announces Private Placement

TORONTO, ONTARIO, November 8, 2018 — PUDO Inc. (CSE:PDO) (OTCQB:PDPTF) ("PUDO" or the "Company"), North America's first carrier-neutral Pick-Up Drop-Off Network ("Network") is pleased to announce the following:

- the completion of non-brokered private placement of unsecured convertible debentures of the Company totaling \$100,000 CAD, bearing interest at a rate of twelve percent (12%) per annum, which shall accrue monthly and shall be payable on the maturity date, being November 8, 2019. At any time prior to repayment, the outstanding principal of the convertible debenture may be converted, at the option of the lender, into common shares of the Company at a price per common share of \$0.95 CAD and shall be subject to a four month and one day hold period. The proceeds are committed to general working capital.
- at any time prior to repayment, up to the entire amount of interest owing is convertible at the option of the lender at market price at that the date of election to convert interest into common shares of the Company.

An entity controlled by Mr. Richard Cooper, a director of the Company, subscribed for a principal amount of \$50,000 Debentures in the Offering. Prior to closing of the Offering, Mr. Cooper owned or controlled, directly or indirectly, an aggregate of 986,869 Common Shares (representing approximately 5% of the Company's issued and outstanding Common Shares). Following closing of the Offering, in the event that RHC exercises its conversion rights in respect of all of the Debentures purchased under the Offering, Mr. Cooper will own 5.3% of the Company's issued and outstanding Common Shares. The sale of Debentures to the entity controlled by Mr. Cooper is a "related party transaction" as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Offering in reliance of sections 5.5(a) and 5.7(a), respectively, of MI 61-101, as the fair market value of the Debentures to be acquired under the Offering by RHC did not exceed 25% of the Company's market capitalization. The material change report is being filed less than 21 days before the closing of the Offering as the Company requires the consideration it will receive in connection with the Offering immediately for working capital purposes.

About PUDO

PUDO Inc. is developing North America's only carrier-neutral parcel pick-up/drop-off technology and logistics network, as a means of solving the last-mile parcel-traffic-control gridlock that is crippling the \$550B e-commerce sector. E-commerce is faced with unprecedented cost control issues, based on disproportionately high last-mile delivery costs relating to undeliverable parcels, and parcels returning for refund or exchange. As labour and fuel costs increase in tandem with parcel traffic and volume, the problem worsens.

PUDO's team of logistics and parcel traffic management experts have created a market intelligence and trends driven solution comprising carrier-neutral plug-and-play technology for desktop and mobile, plus a strategically located network of parcel pick-up and drop-off PUDOpoints for pay-as-you-go use by all players within the e-commerce ecosystem.

Adopting PUDO technology shortens the last mile for the behemoths of e-commerce — fulfillment and distribution centers representing thousands of retailers and millions of consumers — by instantly extending their parcel staging and consolidation network and providing secure ‘near end of the line’ storage for the 30% of e-commerce parcels that are undeliverable on first attempt. PUDO’s technology and network virtually eliminate costs associated with second-attempt deliveries, un-attended parcel theft and spoilage, and mismanaged reverse logistics on returns, and provides carriers, retailers, and consumers with badly needed cost controls, choice, and convenience.

PUDO was founded in 2015 and was recently named one of the Top 20 most innovative public technology companies by the Canadian Innovation Exchange. After two years of industry and market research, and successful beta testing the technology and PUDOpoint geography and protocols with major logistics stakeholders, PUDO is ready to activate its network through strategic partnerships. Activation will enable all stakeholders within the network to access and control scalable, fluid, strategic consolidation in real time when and where needed, to lower costs and satisfy customer expectations.

For more information, please visit www.pudoinc.com or www.pudopoint.com.

Information in this press release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws, such as statements regarding possible capital raising activity and possible future expansions of PUDO’s operations. This information is based on current expectations and assumptions of management, including assumptions concerning PUDO’s ability to raise additional capital. The use of any of the words "anticipate", "believe", "expect", "plan", "intend", "can", "will", "should", and similar expressions are intended to identify forward-looking statements. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Risks, uncertainties, and other factors involved with forward-looking information could cause actual events, results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking information. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Factors that could cause actual results to differ materially from such forward-looking information include, without limitation, uncertainties with respect to service implementation, the economic results of the relationship on the operations of the Company, changes in general economic, market, or business conditions, and those risks set out in the Company’s public documents filed on SEDAR. This press release, may contain future-oriented financial information or financial outlook within the meaning of applicable securities laws. Such future-oriented financial information or financial outlook has been prepared for the purpose of providing information about management’s reasonable expectations as to the anticipated results of its proposed business activities. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by law.

For additional information about PUDO, please contact: Karen Speight, at 1-506-694-1250, karen.speight@pudopoint.com.

SOURCE PUDO Inc.