

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

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

Khot Infrastructure Holdings, Ltd.  
Sea Meadow House  
P.O. Box 116  
Road Town, Tortola  
VG 1110 British Virgin Islands

**2. Date of Material Change:**

June 30, 2017 to September 30, 2017

**3. News Release:**

The news release with respect to the material change was disseminated through FSC Wire on January 24, 2018.

**4. Summary of Material Change:**

The Company entered into loan agreements (the "Loan Agreements") with certain directors and officers of the Company, both current and proposed, and various other parties, to provide an aggregate of USD\$366,679.12 in loans (the "Loans") to the Company. Each Loan is repayable twelve months from the effective date of each Loan Agreement (the "Maturity Date") without any deduction or withholding. The Company may make early repayment of the Loans at any time prior to the Maturity Date without any prepayment penalty. The Loans accrue interest at a rate of 8% per annum, with the accrued interest to be paid at the time of the repayment of the Loans. The first Loan Agreements were entered into during the fiscal period ended June 30, 2017, when the Company accepted US\$81,785 in Loan funding, of which, USD\$74,350 were Loans from Mr. James Passin, a director. From June 30, 2017 and up to September 30, 2017, a total of US\$284,894.12 in Loans was received.

Of the total amount of Loans received as at September 30, 2017, USD\$120,282.57 was provided by Mr. James Passin, who beneficially owns, directly or indirectly, or exercises control or direction over, 32,169,605 common shares ("Common Shares") of Khot, representing approximately 49.26% of the issued and outstanding Commons Shares. Mr. Passin, a director of the Company, is a "related party" of the Company within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). As such, Mr. Passin's Loan constitutes a "related party transaction" within the meaning of MI 61-101.

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

**5.1 Full Description of Material Change**

The material change is fully described in the Company's press release which is attached as Schedule A and is incorporated herein.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

- (a) a description of the transaction and its material terms:

During the fiscal periods ended June 30, 2017, and September 30, 2017, the Company entered into loan agreements (the "Loan Agreements") with certain directors and officers of the Company, both current and proposed, and various other parties, to provide an aggregate of USD\$366,679.12 in loans (the "Loans") to the Company. Each Loan is repayable twelve months from the effective date of each Loan Agreement (the "Maturity Date") without any deduction or withholding. The Company may make early repayment of the Loans at any time prior to the Maturity Date without any prepayment penalty. The Loans accrue interest at a rate of 8% per annum, with the accrued interest to be paid at the time of the repayment of the Loans. Of the total amount of Loans received as at September 30, 2017, USD\$120,282.57 was provided by Mr. James Passin, who beneficially owns, directly or indirectly, or exercises control or direction over, 32,169,605 Common Shares of Khot, representing approximately 49.26% of the issued and outstanding Common Shares. Mr. Passin is also a director of the Company.

- (b) the purpose and business reasons for the transaction:

The purpose of the new Loan funding is for the Company to have resources to be able to fund the expenses related to obtaining the Revocation Order, calling a shareholders meeting, undergoing the change of business, and requalifying for listing on the Canadian Securities Exchange.

- (c) the anticipated effect of the transaction on the issuer's business and affairs:

The Loans will assist the Company in improving its balance sheet and settling accrued expenses.

- (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:

Mr. James Passin, a lender, beneficially owns, directly or indirectly, or exercises control or direction over, 32,169,605 Common Shares of Khot, representing approximately 49.26% of the issued and outstanding Common Shares.

- (ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, 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:

Not applicable

- (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, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board:

A resolution was passed on June 30, 2017, by the board of directors of the Company approving the Loan. Mr. Passin declared his conflict of interest and did not vote on the resolution of the board of directors approving his Loan Agreement, with only the three independent directors (the "Independent Directors") voting on such resolution. Mr. Passin's Loan Agreement was signed on June 30, 2017, by the Company and Mr. Passin.

- (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 issuer 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 issuer or to any director or officer of the issuer:

Not applicable

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

Not applicable

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

The Loan constitutes a "related party transaction" of the Company under MI 61-101. The Company is relying on the exemption from the minority shareholder approval requirement of MI 61-101 based on the fact that the Loan comprises a loan or credit facility obtained on reasonable commercial terms that are not less advantageous to the Company than if the loan or credit facility were obtained from a person dealing at arm's

length with the Company, the Loan is not convertible into equity or voting securities of the Company or a subsidiary of the Company, and the Loan is not repayable as to principal or interest in equity or voting securities of the Company or a subsidiary of the Company, (Section 5.7(1)(f) of MI 61-101). As the Loan is not a type of transaction covered by items (a) through (g) of the definition of "related party transaction" under MI 61-101, it is not subject to the formal valuation requirements of MI 61-101.

As this Material Change Report is being filed less than 21 days before the closing of the Loan transaction, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Independent Directors, on behalf of the Company, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position so as to allow the Company to settle its outstanding accounts payable on a timely basis.

**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:**

Betty Anne Loy, Corporate Secretary  
1111 Melville Street, Suite 1100  
Vancouver, British Columbia V6E 3V6  
Telephone: 604-689-1515

**9. Date of Report:**

January 24, 2018



Press Release: #18-01

January 24, 2018

**KHOT ANNOUNCES OBTAINING LOANS OF USD\$366,679.12**

**Tortola, British Virgin Islands - Khot Infrastructure Holdings, Ltd. ("Khot" or the "Company") (CSE: KOT)** KHOT Infrastructure Holdings, Ltd. (CSE:KOT) ("Khot" or the "Company") announces that it has entered into loan agreements (the "Loan Agreements") with certain directors and officers of the Company, both current and proposed, and various other parties, to provide an aggregate of USD\$366,679.12 in loans (the "Loans") to the Company. Each Loan is repayable twelve months from the effective date of each Loan Agreement (the "Maturity Date") without any deduction or withholding. The Company may make early repayment of the Loans at any time prior to the Maturity Date without any prepayment penalty. The Loans accrue interest at a rate of 8% per annum, with the accrued interest to be paid at the time of the repayment of the Loans. The first Loan Agreements were entered into during the fiscal period ended June 30, 2017, when the Company accepted US\$81,785 in Loan funding, of which, USD\$74,350 were Loans from Mr. James Passin, a director. From June 30, 2017 and up to September 30, 2017, a total of US\$284,894.12 in Loans was received.

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The Loan Agreements have been reviewed and approved by the board of directors who have determined that it is in the best interest of the Company to gain access to the funds pursuant to the Loans.

The purpose of the new Loan funding is for the Company to have resources to be able to fund the expenses related to obtaining the Revocation Order, calling a shareholders meeting, undergoing the change of business, and requalifying for listing on the Canadian Securities Exchange, all of which management believes is for the benefit of all shareholders.

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*This press release was prepared by management of Khot, which takes full responsibility for its contents. The Canadian Securities Exchange has in no way passed upon the merits of the proposed transaction and has neither approved or disapproved the contents of this press release.*

## Disclaimer for Forward-Looking Information

Statements containing forward-looking information express, as at the date of this news release, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and are believed to be reasonable based on information currently available to the Company. Forward-looking statements and information are based on assumptions that financing and personnel will be available when required and on reasonable terms, and all necessary regulatory approvals and shareholder approval will be obtained, none of which are assured and are subject to a number of other risks and uncertainties.

There can be no assurance that forward-looking statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking information.