

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

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

Hilltop Cybersecurity Inc. (the “**Issuer**”)  
700 – 1620 Dickson Avenue  
Kelowna, British Columbia V1Y 9Y2

**Item 2: Date of Material Change**

June 12, 2018

**Item 3: News Release**

A news release announcing the material change was issued and disseminated on June 12, 2018 and filed on SEDAR ([www.sedar.com](http://www.sedar.com)), attached hereto as Schedule “A”.

**Item 4: Summary of Material Change**

In connection with the Issuer’s transaction (the “**Transaction**”) with Hill Top Security, Inc. (“**HTSI**”), constituting a “fundamental change” of the Issuer within the meaning of the policies of the Canadian Securities Exchange (the “**Exchange**”), completed February 14, 2018, pursuant to an acquisition agreement made effective as of December 19, 2017 (the “**Acquisition Agreement**”) among the Issuer, HTSI and the shareholders of HTSI, whereby the Issuer acquired 25% of the common shares of HTSI (the “**HTSI Shares**”) for an aggregate cash payment of USD\$660,000, on June 12, 2018, the Issuer completed a series of transactions constituting the second acquisition (the “**Second Acquisition**”) pursuant to the Acquisition Agreement whereby the Issuer acquired 1,875 common shares of HTSI, equal to 24% of the issued and outstanding common shares of HTSI (such that immediately thereafter, including the common shares of HTSI acquired pursuant to the Transaction, the Issuer now holds an aggregate 49% of the issued and outstanding common shares of HTSI), and HTSI granted to the Issuer a perpetual, worldwide, royalty free license in certain of its assets, pursuant to a license agreement by and between HTSI and the Issuer in substantially the form attached to the Acquisition Agreement. In exchange for the foregoing, the Issuer: (1) delivered a payment to HTSI of US\$1,500,000.00; (2) issued to HTSI 49,136,658 convertible common shares of the Issuer, being equal to, upon conversion thereof to common shares of the Issuer (on a one-to-one basis), an aggregate of 45% of the issued and outstanding common shares of the Issuer (post-issuance), subject to any applicable statutory hold period and escrow, pursuant to an escrow agreement with Computershare Investor Services Inc., released as to 10% on closing of the Second Acquisition and an additional 15% every six months thereafter over 36 months; (3) issued 1,200,000 common shares of the Issuer to certain key shareholders of HTSI; and (4) executed and delivered consulting agreements in the form attached to the Acquisition Agreement to certain of the shareholders of HTSI as indicated in the Acquisition Agreement.

**Item 5.1: Full Description of Material Change**

See Schedule “A” as attached.

**Item 5.2: Disclosure for Restructuring Transactions**

Not Applicable.

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

Not applicable.

**Item 7: Omitted Information**

No significant facts otherwise required to be disclosed in this report have been omitted.

**Item 8: Executive Officer**

The following executive officer of the Issuer is knowledgeable about the material change and may be contacted respecting the change:

Corby Marshall, CEO  
Tel: 778-484-8028  
E-mail: info@hilltopcybersecurity.com

**Item 9: Date of Report**

June 12, 2018.

## SCHEDULE "A"

CSE SYMBOL: CYBX  
OTC SYMBOL: BGGWF

Suite 700 – 1620 Dickson Ave  
Kelowna, BC V1Y 9Y2  
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### Hilltop Cybersecurity Closes Second Acquisition

**June 12, 2018 – Kelowna, B.C., Canada – Hilltop Cybersecurity Inc. (“Hilltop” or the “Company”)** (CSE:CYBX) (OTC:BGGWF), announces, further to its news release dated February 22, 2018 regarding the completion of its transaction (the “**Transaction**”) with Hill Top Security, Inc. (“**HTSI**”), constituting a “fundamental change” of the Company within the meaning of the policies of the Canadian Securities Exchange (the “**Exchange**”) pursuant to the Acquisition Agreement (as defined herein), it has completed the Second Acquisition (as defined herein) pursuant to the Acquisition Agreement.

On February 14, 2018, the Company completed the Transaction pursuant to an acquisition agreement made effective as of December 19, 2017 (the “**Acquisition Agreement**”) among the Company, HTSI and the shareholders of HTSI, whereby the Company acquired 25% of the common shares of HTSI (the “**HTSI Shares**”) for an aggregate cash payment of USD\$660,000, constituting a “fundamental change” of the Company within the meaning of the policies of the Exchange.

#### Second Acquisition

In connection with the Transaction, pursuant to the Acquisition Agreement, the Company and HTSI completed the following series of secondary transactions (together, the “**Second Acquisition**”) on June 12, 2018:

- (i) HTSI sold and issued 1,875 HTSI Shares to the Company, equal to 24% of the issued and outstanding HTSI Shares (post-issuance, such that immediately after the issuance and including the HTSI Shares acquired pursuant to the Transaction, the Company will hold an aggregate 49% of the issued and outstanding HTSI Shares), and granted to the Company a perpetual, worldwide, royalty free license in certain of HTSI’s assets, pursuant to a license agreement by and between HTSI and the Company in substantially the form attached to the Acquisition Agreement; and
- (ii) in consideration for the actions of HTSI set forth above, the Company: (1) delivered a payment to HTSI of US\$1,500,000; (2) issued to HTSI 49,136,658 convertible common shares of the Company (the “**Convertible Shares**”), equal to, upon conversion thereof to common shares of the Company (on a one-to-one basis), an aggregate of 45% of the issued and outstanding common shares of the company (post-issuance), to be later distributed pro rata to the shareholders of HTSI (other than the Company); (3) issued 1,200,000 common shares of the Company to certain consultants and employees of HTSI; and (4) executed and delivered consulting agreements in the form attached to the Acquisition Agreement to certain of the shareholders of HTSI as indicated in the Acquisition Agreement.

The shareholders of HTSI will have the right to exchange the Convertible Shares, once distributed to them from HTSI, at any time and from time to time for an equal number of fully paid and non-assessable common shares of the Company.

A finder’s fee in connection with the transactions contemplated by the Acquisition Agreement was made to Sherman Dhal (the “**Finder**”), upon the completion of the Second Acquisition, in the amount of 3,000,000 common shares of the Company (the “**Finder’s Fee Shares**”) at a deemed price of \$0.35 per Finder’s Fee Share.

The Convertible Shares, and any common shares of the Company the Convertible Shares are exchanged therefor, and the Finder's Fee Shares, are subject to applicable statutory hold period and escrow, pursuant to an escrow agreement between Computershare Investor Services Inc. and HTSI and an escrow agreement between Computershare Investor Services Inc. and the Finder, respectively, released as to 10% on closing of the Second Acquisition and an additional 15% every six months thereafter over 36 months.

A listing statement dated February 15, 2018 describing the Company and HTSI, as well as the terms of the Transaction and the Second Acquisition, prepared in accordance with the policies of the Exchange, is available on SEDAR at [www.sedar.com](http://www.sedar.com) (the "**Listing Statement**"). The summary information set out herein is qualified in its entirety by reference to the relevant descriptions in the Listing Statement.

## **About Hilltop Cybersecurity**

Hilltop Cybersecurity (CSE:CYBX) (OTC:BGGWF) is a cybersecurity and cryptocurrency security specialist. The Company has developed a unique, patented, cybersecurity platform, designed to protect businesses from external and internal cyber attack, and has also patented its biometric security solution for crypto-currencies.

For further information, please contact:

### **Hilltop Cybersecurity Inc.**

Corby Marshall, CEO

Tel: 778-484-8028

E-mail: [info@hilltopcybersecurity.com](mailto:info@hilltopcybersecurity.com)

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein in the United States. The securities described herein have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities law and may not be offered or sold in the "United States", as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available.*

*The Canadian Securities Exchange has not reviewed, nor approved the contents of this news release.*

*Investors are cautioned that, except as disclosed in the Listing Statement, any information released or received with respect to the Transaction and the Second Acquisition may not be accurate or complete and should not be relied upon.*

### **Forward-Looking Statements**

*Certain statements in this release are forward-looking statements, which include regulatory approvals and other matters. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such information can generally be identified by the use of forwarding looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, estimates, forecasts, projections and other forward-looking statements will not occur. Forward-looking statements are necessarily based upon a number of factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements express or implied by such statements. These assumptions, risks and uncertainties include, among other things, the state of the economy in general and capital markets in particular, present and future business strategies, the environment in which the Company will operate in the future, and other factors, many of which are beyond the control of the Company. While such estimates and assumptions are considered reasonable by the management of the Company, they are inherently subject to significant business, economic, competitive and regulatory uncertainties and risks.*

*Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events, level of activity, performance or results to differ materially from those reflected in the forward-looking statements, including, without limitation: that laws and regulations may become more onerous; the ability of the Company to obtain necessary financing; the economy generally; the future growth, results of operations, performance and business prospectus and opportunities; changes in and the effect of government policies; demand for products; competition; anticipated and unanticipated costs; reliance on management; claims and legal proceedings; conflicts of interest; and market price and volatility of the common shares of the Company. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, continued availability of capital and financing and general economic, market or business conditions, the loss of key directors, employees, advisors or consultants, technology failures, failure to develop new and innovative products, failure of counterparties to perform their contractual*

*obligations and fees charged by service providers. Important factors that could cause actual results to differ materially from the Company's expectations include, litigation, global economic climate, loss of key employees and consultants, additional funding requirements, changes in laws, competition, and failure of counterparties to perform their contractual obligations. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. Investors are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements.*

*The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.*