

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

**Item 1      Name and Address of Company**

Sahara Energy Ltd.  
Suite 400, 444 - 7th Ave S.W.  
Calgary, Alberta  
T2P 0X8

**Item 2      Date of Material Change**

August 31, 2021

**Item 3      News Release**

A news release was disseminated on August 31, 2021 through the facilities of Newsfile Corp.

**Item 4      Summary of Material Change**

In connection with the Company's "Change of Business" (as such term is defined in TSX Venture Exchange (the "**Exchange**") Policy 5.2), the Company through its wholly-owned subsidiary, GC Capital Holdings Inc., has closed two investment transactions involving certain affiliates of DMG Investments LLC (such affiliated entities referred to herein as "**DMG**").

**Item 5      Full Description of Material Change**

Prior to its Change of Business, the Company's business was focused almost entirely on oil and gas exploration, evaluation and development in Western Canada. Over the past number of years the value of the Company's oil and gas assets has progressively declined and the Company's rigorous attempts to sell its assets and identify new opportunities in the oil and gas sector in Alberta and Saskatchewan yielded no viable results. Further, the Company's market capitalization has currently been valued at a significant discount to its total asset value and the Company has been in a net loss position for at least the past two years.

In addition to the existing oil and gas market failing to generate sufficient positive returns for investors, and the long-term outlook for the industry, and the Company should it continue to focus its business on its oil and gas assets, the Company's management team concluded that it was in the best interest of the Company and its shareholders for management to explore a more diverse array of options so as to optimize the deployment of the Company's cash assets.

Given the current expertise and connections of management, management's desire to have the Company's funds deployed in relatively secure investments while still offering a return on investment for shareholders as well as management's view of the ongoing opportunities available in Alberta and Saskatchewan, the Company determined that it

was time to refocus its business in the areas of real estate and investing. In this regard, the Company identified the U.S. real estate market, particularly in the areas of student housing and multi-family residential properties, as an ideal area in which it could successfully undertake the first of its investments in the wider refocusing of its business. As a result of the foregoing, the Company applied to the Exchange to change its status from being a Tier 2 "Oil and Gas" issuer on the Exchange to a Tier 2 "Investment" issuer. In its capacity as an "Investment" issuer, the Company intends to focus its initial investments within the real estate sector.

In furtherance of the Company's proposed Change of Business, on August 31, 2021, the Company through its wholly-owned subsidiary, GC Capital Holdings Inc., completed two investment transactions (the "**Investments**") involving DMG, whereby the Company made an investment of USD\$3,000,000 in exchange for a preferred equity ownership position of approximately 21.85% in a student housing development project in Amherst, New York (the "**Auden Project**"), and an investment of USD\$2,000,000, in exchange for a preferred equity ownership position of approximately 15.56% in a multi-family mixed commercial housing development in Albany, New York (the "**Dakota Project**", and together with the Auden Project the "**Projects**").

The Investments are each subject to, among others, the following terms and conditions:

- the Company has been guaranteed a 10% preferred return on its investment within 12 months of its initial investment, with the payment of return amounts being made at the end of the first quarter following its initial investment and at the end of the fourth quarter following initial investment;
- in the event that a material event of default by DMG occurs, the Company is entitled to a 15% return on its investment;
- during the period of the investment there will be no dilution of the Company's preferred equity position;
- the Company has retained voting rights in relation to major actions proposed by DMG;
- the Company has retained an unconditional option to require the cash payment of its guaranteed return and the cash repurchase of all or part of its equity interest after an initial 12 month period or, in lieu of full repayment, upon the Company giving three months prior notice to DMG, the Company will continue to hold its position;
- the 10% return and repurchase option granted to the Company in connection with its investment has been guaranteed by DMG Investments LLC; and
- the Company has been granted certain exit options in the event of a material default in the Projects and upon the occurrence of a material adverse change in the condition of the guarantor.

As announced by the Company earlier this year, the Investments comprise the transactions on which the Company's proposed Change of Business is based.

In connection with the Company's Change of Business, the Company received the final approval of the Exchange on September 7, 2021. Trading in the common shares of the Company is expected to commence at market open on September 9, 2021. Upon resumption of trading, the Company will be listed on the Exchange as a Tier 2 "Investment" issuer. The Company's name and ticker symbol, "SAH", will remain the same.

Additional important information regarding the Investments, Projects and Change of Business may be found in the Company's Amended Filing Statement dated August 27, 2021 filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Investors are urged to carefully review the entirety of the Amended Filing Statement for the full details respecting the Investments, Projects and Change of Business.

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

n/a

**Item 7 Omitted Information**

n/a

**Item 8 Executive Officer**

To obtain further information, contact Fiona Wang, Vice President, at (571) 355-1488

**Item 9 Date of Report**

September 7, 2021