

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

ITEM 1. NAME AND ADDRESS OF COMPANY

Avanco Capital Corp.
Suite 300 – 1055 West Hastings Street,
Vancouver, BC V6E 2E9

ITEM 2. DATE OF MATERIAL CHANGE

Sept. 25, 2017

ITEM 3. NEWS RELEASE

Issued Sept. 25, 2017 and disseminated through the facilities of Market News Publishing, Canada Stockwatch and other news dissemination services.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Issuer announced entering into a letter of intent that could constitute the Issuer's Qualifying Transaction (as such term is defined in the policies of the TSX Venture Exchange).

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

See attached news release.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT 51-102

Not Applicable.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

Contact: Joanne Yan, Chief Executive Officer
Telephone: (604) 961-8188

ITEM 9. DATE OF REPORT

Sept. 27, 2017

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OR DISSEMINATION IN THE UNITED STATES**

AVANCO CAPITAL CORP.

Suite 300 – 1055 West Hastings Street,
Vancouver, BC V6E 2E9

September 25, 2017

Trading Symbol: AAA.P

**AVANCO CAPITAL CORP. ANNOUNCES
PROPOSED QUALIFYING TRANSACTION TO ACQUIRE
HILL STREET BEVERAGE CO. OF TORONTO, ONTARIO**

Vancouver, B.C. – Avanco Capital Corporation (TSXV:AAA.P) (the “**Issuer**”), a capital pool company, announced that it has entered into a letter of intent (“**LOI**”) dated September 14, 2017 to acquire Hill Street Marketing Inc. dba Hill Street Beverage Co. (“**Hill Street**”). The LOI is to be replaced by a definitive agreement to be entered into by the parties in due course. Pursuant to the terms of the LOI the Issuer intends to complete a business combination with Hill Street (the “**Transaction**”) and acquire all of the issued and outstanding securities of Hill Street. Upon closing of the Transaction (the “**Closing**”), Hill Street is expected to be a wholly owned subsidiary of the Issuer and the Issuer will change its name to “Hill Street Beverage Company” (the “**Resulting Issuer**”).

This Transaction is intended to constitute the Issuer’s Qualifying Transaction and is not a Non-Arm’s Length Qualifying Transaction (as defined by the policies of the TSX Venture Exchange (the “**Exchange**”). The Transaction is subject to Exchange approval.

Overview of Hill Street

History

Hill Street is a leader in the marketing and distribution of alcohol-free wine and beer in Canada. Its products are currently available in approximately 4,000 major chain stores in Canada and online through their direct to consumer subscription service at www.hillstreetbevco.com.

Hill Street was incorporated as an Ontario corporation in 2008. It was originally conceived as a cause marketing company; founded on the premise that it is possible for a corporation to do well by doing good. All of the company’s sales include a donation to leading charities, especially those researching treatment and cures for conditions caused or complicated by the consumption of alcohol. The Company’s product line currently includes MADD Virgin Rouge, MADD Virgin Blanc, and MADD Virgin Brut wines, and MADD Virgin Craft Brewed Lager, the world’s first and most award winning alcohol-free craft beer. MADD Virgin Craft Brewed Lager won the Retail Council of Canada’s 2014 Grand Prix Award for Best New Product in Canada, and has won Gold Medals at the US Open Beer Championship in 2014, 2015, and 2017, and a Silver in 2016.

In July 2016, Hill Street launched Designated Draft, an alcohol-free American style pilsner, which has since gone on to receive Bronze (2016) and Silver (2017) medals at the US Open Beer Championship.

Starting in November 2017, Hill Street is launching the Vin(Zero) line of wines. Vin(Zero) wines will have seven grape varietals: Merlot, Cabernet Sauvignon, Shiraz, Sauvignon Blanc, Chardonnay, Brut Rose, and Brut. Hill Street is also preparing to launch its Hill Street Craft line of alcohol-free beer. Craft beer is currently the fastest growing segment of the beer industry, with over 500 craft brewers appearing over the past twenty years in Ontario alone. The segment has grown to nearly 24% of the North American beer industry's revenues, in a market that is shrinking annually around 0.7%, according to Beer Canada's website.

To complement the Vin(Zero), Designated Draft, and Hill Street Craft brands, Hill Street has also entered into exclusive licensing and marketing agreements to distribute a Belgian line of wines known as Vintense. Vintense will be sold with the following grape varietals: Sauvignon, Cabernet Sauvignon, Syrah, Blanc Fines bulles, Brut Rose, Chardonnay, and Merlot.

Industry Trends

Market research firm, Nielsen, and trade publisher Beverage Daily, segment the alcohol-free and low alcoholic beverage category into four main categories: (i) malt beverages (alcohol free/low alcohol beer), (ii) cider, (iii) other low alcohol beverages (including mocktails, mixers, non-alcoholic wines, sangrias and spritzers), and (iv) private label products which includes all of the above but measured as a single category for competitive reasons.

Based on accumulated third-party research, Hill Street estimates that annual growth in this market will be, conservatively, at a 15% compounded annual growth rate ("CAGR") per year. For context, according to market research firm Canadean, the US market for alcohol-free/low alcohol beer and wine is measured at approximately 20 times the size of the Canadian market, or roughly \$1.57B in 2016.

Further, according to Canadean, the segment has been growing at roughly 5% CAGR globally, and is expected to grow at an even more robust rate of 5.25% according to the Packaging Industry of America's projections. However, these global numbers pale in comparison to actual regional sales growth numbers from AC Nielsen (19% in 2016, and 40% in 2015) measuring the Canadian market.

The Transaction

Pursuant to the terms of the LOI, the Issuer will acquire all of the issued and outstanding securities of Hill Street from its existing shareholders, and as consideration, the Issuer will issue forty million (40,000,000) common shares in the capital of the Issuer to the current shareholders of Hill Street, at a deemed price of \$0.175 per share for a deemed value of \$7 million. The transaction will result in a reverse takeover of the Issuer by Hill Street shareholders.

The deemed valuation of Hill Street is, in part, dependent on Hill Street concluding two pre-valuation transactions (the "**Pre-Valuation Transactions**"); the first to convert a existing \$1 Million trade payable into equity of Hill Street, and the second being an equity infusion of \$1 Million into Hill Street by the control person of Hill Street or its assignee.

Immediately prior to Closing, Hill Street will issue 3,400,000 inducement warrants to the existing shareholders of the Issuer (each a “**Hill Street Warrant**”). On closing, each Hill Street Warrant shall be exchanged on a 1 for 1 basis with warrants of the Resulting Issuer (the “**Resulting Issuer Warrants**”), with each Resulting Issuer Warrant entitling the holder thereof to acquire 1 common share of the Resulting Issuer at a price of \$0.20 for a period of two years from the date of closing of the Transaction.

Finders in connection with the Transaction will be issued 468,000 common shares in the capital of the Issuer, together with 234,000 finder warrants (“**Finder Warrants**”), with each Finder Warrant entitling the holder thereof to acquire 1 common share of the resulting company at a price of \$0.20 for a period of two years from the date of closing.

Concurrent Financing

As a condition to completing the Transaction, Hill Street intends to complete a concurrent private placement financing (“**Financing**”) of subscription receipts (“**Subscription Receipts**”) at a price of \$0.175 per Subscription Receipt, for minimum gross proceeds of \$1,000,000 and an estimated maximum of \$4,000,000. Each Subscription Receipt, shall upon the closing of the Transaction, be automatically exchanged for one common share in the capital of the Resulting Issuer. Assuming the minimum Financing is completed an aggregate of 5,714,258 Resulting Issuer common shares will be issued. If the maximum Financing is completed an aggregate of 22,857,143 Resulting Issuer common shares will be issued.

The gross proceeds of the Financing will be held in escrow and will only be released upon the completion of the Transaction.

It is expected that insiders of Hill Street, their assigns, or their friends, family or business associates, shall subscribe for a minimum of \$1,000,000 worth of Subscription Receipts in the Financing.

Capitalization

The Issuer currently has (i) 6,800,000 common shares issued and outstanding; (ii) stock options outstanding exercisable into 680,000 common shares of the Issuer (476,000 options exercisable at \$0.10 per share; 204,000 options exercisable at \$0.15 per share) expiring one year following closing of the Transaction, and (iii) 400,000 broker warrants outstanding exercisable into 400,000 common shares of the Issuer at \$0.10 per share expiring in March, 2019.

The estimated post-Transaction capitalization of the Issuer is as follows:

	Assuming Minimum Financing is Completed		Assuming estimated Maximum Financing is Completed	
	Number of shares	%	Number of Shares	%
Current Avanco Shareholders ^(a)	7,880,000	14.6%	7,880,000	11.0%
Finder’s Fee Payable ^(b)	468,000	0.8%	468,000	0.7%
Former Hill Street Shareholders	40,000,000	74.0%	40,000,000	56.2%

Subscribers in the Financing^{(b)(c)(d)}	5,714,285	10.6%	22,857,143	32.1%
Totals	54,062,285	100.00%	71,205,143	100.00%

Notes:

(a) Assumes the exercise of all options to purchase common shares held by insiders and all broker warrants. The parties acknowledge that the exercise of such securities is not a condition to the closing of the Transaction.

(b) Excludes the Finder Warrants or broker warrants to be issued as part of the Financing.

(c) Includes subscriptions for \$1,000,000 by Hill Street insiders.

(d) Excludes any warrants that may be issued in connection with the Financing.

Distribution Requirements

Upon completion of the Transaction, it is expected that the Resulting Issuer will meet the public distribution requirements of an Exchange Tier 2 issuer. Shareholders of the Issuer and the Resulting Issuer will be subject to applicable Exchange escrow policies. It is also expected that Rudy Sawatzky who is a controlling shareholder of Hill Street, will control approximately 25% of the Resulting Issuer, assuming the maximum financing is completed (33% assuming the minimum financing is completed).

Waivers Sought

The Issuer intends on seeking a waiver from the Exchange with respect to obtaining Issuer shareholder approval of the Transaction, and will also seek a waiver from the sponsorship requirement.

Conditions Precedent

The completion of the Transaction will be subject to at least the following mutual conditions precedent:

1. the execution of a definitive agreement (“**Definitive Agreement**”) including standard representations, warranties and covenants for an agreement of this nature;
2. the completion of due diligence by the parties;
3. the completion of the Pre-Valuation Transactions;
4. the completion of the Financing;
5. the Issuer completing a name change to Hill Street Beverage Company or such other name as requested by Hill Street;
6. the receipt of all necessary regulatory, corporate and third party approvals, including the acceptance of the Exchange, and compliance with all applicable regulatory requirements and conditions in connection with the Transaction;
7. the confirmation of the representations and warranties of each party to the Definitive Agreement as set out in such agreement;
8. the absence of any material adverse effect on the financial and operational condition or the assets of each of the parties to the Definitive Agreement;

9. the delivery of standard completion documentation including, but not limited to, legal opinions from Canadian legal counsel, officers' certificates and certificates of good standing or compliance; and
10. other condition precedents customary for a transaction such as the Transaction.

The conditions precedent in favour of the Issuer may be waived in whole or in part by the Issuer and the conditions precedent in favour of Hill Street may be waived in whole or in part by Hill Street.

The completion of the Transaction is expected to occur as soon as is practicable following the satisfaction or waiver of the conditions precedent (other than those conditions precedent to be completed concurrent with the closing) or such other date as mutually agreed to by the Parties, but in any event no later than December 15, 2017 save and except for regulatory, corporate and/or third party approvals that are beyond the control of the parties but are in process.

Each of the Issuer and Hill Street will generally bear their own respective costs and expenses associated with the Transaction.

Overview of Management and the Board of Directors

Management

Terence Donnelly, Chief Executive Officer. Terry Donnelly has 30 years experience in Marketing and Advertising, serving most recently as Chief Marketing Officer, Canada for MDC Partners (NASDAQ:MDCA), the largest Canadian marketing services company with \$1.3Bn in revenues and over 17,000 employees. He was the co-founder of Adcentricity; EVP, Digital at Mandrake; and a board member/investor in six private and six public corporations, including two TSX listed companies.

Brian Bolshin, President & Chief Marketing Officer. Brian Bolshin has over 30 years experience in Marketing and Advertising, most recently at Grey Worldwide as Vice President, Director of Strategic Planning & Business Development, and Doner Schur Pepler, GJ&P and JWT. His experience covers virtually all industries from Fashion to Pharmaceuticals, Furniture to Financial Services.

Bruce Anderson, Chief Financial Officer. Bruce Anderson has over 30 years experience in business and technology in multiple companies and industries in Canada and Australia. He was Founder and President of HRA Software, specializing in B2B software for the Human Resources industry, and led HRA for over 20 years through the evolution of the computer industry from DOS to the Cloud with clients around the world. Hill Street is currently recruiting a new Chief Financial Officer and following such appointment Bruce Anderson, will take over the new position of Chief Technology Officer.

Glenn Broadley, Chief Operating Officer. Glenn Broadley has 37 years experience in Consumer Product Development, Marketing and Sales, mainly centered around the Drug and Grocery Industries and is the Co-Founder of MADD Virgin Drinks, Best Buddies Bubbles and Designated Draft.

Doug Taylor, Vice President of Sales. Doug Taylor has over 30 years of Sales and Marketing B2C experience in the CPG and Technology verticals with companies like Coke, Unilever,

Microsoft and Epson. Most recently he was Epson Canada's Country Manager for their consumer division. Driving growth in the new Omnichannel world is where he excels. Having earned many Vendor & Industry accolades, Doug understands how to build productive Customer relationships.

June Nicholson, Vice President, Strategic Partnerships. June Nicholson has over 30 years of experience working in the philanthropic sector, most recently as Vice President, Development & Fundraising for the Canadian Liver Foundation. She has managed major philanthropic initiatives for dozens of charities and also managed programs for major brands such as Nestle, Mars, and others in the charitable giving sector. She ran her own firm, Fundtastic, with a staff of nearly 60 people dedicated to building sustainable cause marketing programs for major brands.

Board of Directors

The board of directors of the Resulting Issuer is expected to consist entirely of nominees of Hill Street with all existing directors of the Issuer stepping down on closing of the Transaction.

It is the intention of the Issuer and Hill Street to establish and maintain a board of directors with a combination of appropriate skill sets that is compliant with all regulatory and corporate governance requirements, including any applicable independence requirements. Upon completion of the Transaction, the board is expected to be reconstituted to be comprised of seven (7) members. Hill Street currently has six (6) directors and is recruiting an additional board member with a CPA designation to round the skills matrix of the board. The current directors are as follows:

Terence Donnelly, Toronto, Ontario. Terence Donnelly has 30 years experience in Marketing and Advertising, serving most recently as Chief Marketing Officer, Canada for MDC Partners (NASDAQ:MDCA), the largest Canadian marketing services company with \$1.3Bn in revenues and over 17,000 employees. He was the co-founder of Adcentricity; EVP, Digital at Mandrake. He is a former director and chair of the compensation committee of Brainhunter Inc. (TSX:BH), former CEO of China Opportunity Inc. (TSX-V:COC.P), and is former director and advisor to numerous privately held companies, mainly in the early stage technology sector. He was a director and Chair of the Compensation Committee of Atlantis Systems Corp. (TSX:AIQ); and former Chairman of SilverBirch Inc. (TSX-V:SVB).

Rudy Sawatzky, St. Catharines, Ontario. Rudy Sawatzky is the Chief Executive Officer of, Grey Forest Homes and Vinfirst Innovative Packaging (a controlling shareholder of Hill Street). Rudy is one of the most successful entrepreneurs and real estate developers in the Niagara region. He is the largest shareholder in Hill Street Beverage Company.

Kevin Ruddle, St. Catharines, Ontario. Kevin Ruddle is the Vice President, Vinfirst Innovative Packaging. Mr. Ruddle is the operational leader for Vinfirst, the exclusive license holder for Tetra Pak packaging for the Canadian Wine industry, and has over thirty years experience in the wine sector and other industries.

Craig Binkley, Atlanta, Georgia. Craig Binkley is the Chief Executive Officer of BinkThink Consulting, and former CEO of Northstar Research. Mr. Binkley is one of the world's foremost beverage industry strategists and consultants, bringing over 30 years of marketing experience and leadership success. He was formerly the Chief Consulting Officer of Zyman Consulting, the leading beverage industry strategy consulting firm in the world. Before moving into professional services consulting, Mr. Binkley served as Vice President of Marketing for Coca-Cola Mexico

and Worldwide Director of Marketing for Diet Coke® and Coca-Cola's Minute Maid® brands. Mr. Binkley attended Davidson College in North Carolina and completed postgraduate work at Harvard Business School's Program for Management Development.

Paul Rosen, LLB, Toronto, Ontario. Paul Rosen is a noted career entrepreneur and management consultant. Over the last 5 years he has become one of Canada's most active and diversified investors in the emerging cannabis industry. He was a co-founder of PharmaCan Capital (now d.b.a. The Cronos Group), a publically traded merchant bank focused on Canada's medical marijuana industry (MJN.V). Mr. Rosen served as President and CEO of PharmaCan Capital for three years, completing his tenure in May 2016. Mr. Rosen sits on the Board of iAnthus Capital Holdings (IAN.C), a publicly traded New York based investment bank invested in several medical marijuana licenses across the United States. Mr. Rosen founded Skypad International (shopskypad.com) in 1999 and currently serves as CEO and Chairman. Skypad is a leading global contract manufacturer focusing on the hospitality industry and has been a vendor to over 2,000 hotels worldwide. Mr. Rosen acts as an advisor and management consultant to several companies in multiple industries including Sail Cannabis, Lift, Suzie's Good Fats, Evio Beauty Group, LifeTagger, Evergreen Medicinal Supply, Tokyo Smoke, AAA Medic, Salvation Botanicals and Rock Garden. Mr. Rosen is a member of the Law Society of Upper Canada, and practiced constitutional law in Canada for several years. Mr. Rosen received a B.A. in Economics from Western University in 1985 and an LL.B. from the University of Toronto in 1988.

Jack Fraser, MBA (Kellogg), Toronto, Ontario Jack Fraser is the Vice President of Finance at SSENSE, a global luxury fashion e-tailer and one of Canada's top 50 fastest growing companies. Mr. Fraser was also the former COO/CFO of TravelZest PLC. Mr. Fraser is the Vice President of Finance at SSENSE, a global luxury fashion e-tailer and one of Canada's top 50 fastest growing companies. Mr. Fraser was also the former COO/CFO of TravelZest PLC and CFO of Bookit.com, both hyper growth travel e-tailers. Mr. Fraser brings over 20 years of managing hyper growth digital media and e-commerce companies where he held operational and finance roles. Mr. Fraser was instrumental in the success of iTravel2000, one of Canada's most successful ecommerce travel companies, leading up to its sale to TravelZest, an AIM listed company based in the UK. Subsequent to the sale of iTravel2000, Jack became COO/CFO of TravelZest, overseeing 14 global ecommerce travel brands in the UK and Canada. Mr. Fraser received a B.Com in Management Economics from University of Guelph and an MBA from Kellogg School of Management at Northwestern University.

About Avanco Capital Corp.

The Issuer, a capital pool company within the meaning of the policies of the Exchange, was incorporated in British Columbia on April 6, 2016 and was listed on the Exchange on March 22, 2017. The Issuer does not have any operations and has no assets other than cash. The Issuer's business is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction.

For further information please contact:

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Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange has in no way passed on the merits of the proposed transaction and has neither approved or disapproved the contents of this press release.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

BUSINESS DISCLOSURE & FORWARD LOOKING INFORMATION

The above information regarding Hill Street's business and management has been provided by Hill Street, and based on preliminary due diligence reflects the beliefs and expectations of the Issuer's management. This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Issuer's current expectations. When used in this press release, such words as "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the Transaction (including shareholder approval, the name change, and completion or termination), the Financing, the controlling shareholder, and the directors and management of the Resulting Issuer upon completion of the Transaction.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the completion of the Transaction and matters relating thereto and the risks associated with the marketing and sale of securities, the need for additional financing, reliance on key personnel, the potential for conflicts of interest among certain officers or directors with certain other projects, and the volatility of the Issuer's common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Issuer undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

The Issuer cautions that the foregoing list of material factors is not exhaustive. When relying on the Issuer's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The

Issuer has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Issuer may elect to, it does not undertake to update this information at any particular time.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE ISSUER AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE ISSUER MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.