MATERIAL CHANGE REPORT
FORM 51-102F3

Item 1. **Name and Address of Corporation**

Westleaf Inc. ("**Westleaf**" or the "**Corporation**")
710 – 530 8th Avenue SW
Calgary, AB T2P 3S8

Item 2. **Date of Material Change**

November 7, 2019

Item 3. **News Release**

A news release was disseminated on November 7, 2019 via NewsWire.

Item 4. **Summary of Material Change**

The Corporation announced that it has entered into a definitive arrangement agreement (the "**Arrangement Agreement**") to combine with We Grow B.C. Ltd. ("**We Grow**"). Pursuant to the Arrangement Agreement, Westleaf will purchase all of the issued and outstanding shares of We Grow ("**We Grow Shares**"), other than its Class "H" non-voting common participating shares ("**Class H Shares**"), in exchange for common shares in the capital of Westleaf ("**Westleaf Shares**") by way of plan of arrangement ("**Plan of Arrangement**") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**Arrangement**"). Each We Grow Share, other than Class H Shares and Class "C" voting common participating shares in the capital of We Grow ("**Class C Shares**"), will be exchanged for 4.264 Westleaf Shares and each Class C Share will be exchanged for Westleaf Shares on a one-for-one basis. Each outstanding option to purchase We Grow Shares ("**We Grow Options**") will be exchanged for 4.264 options to purchase Westleaf Shares ("**Westleaf Options**") pursuant to the Westleaf stock option plan currently in place. Each warrant to purchase Class C Shares ("**We Grow Warrant**") will be exchanged for warrants to purchase Westleaf Shares ("**Westleaf Warrants**") on a one-for-one basis.

Item 5. **5.1 Full Description of Material Change**

The Corporation announced that it has entered into an Arrangement Agreement with We Grow to purchase all of the issued and outstanding We Grow Shares, other than its Class H Shares, in exchange for Westleaf Shares. Pursuant to the Plan of Arrangement, each We Grow Share, other than Class C Shares, will be exchanged for 4.264 Westleaf Shares, each Class C Share will be exchanged for Westleaf Shares on a one-for-one basis, each We Grow Option will be exchanged for 4.264 Westleaf Options pursuant to the Westleaf stock option plan and each We Grow Warrant will be exchanged for Westleaf Warrants on a one-for-one basis.

All Westleaf Shares received by holders of We Grow Shares in exchange for their We Grow Shares, other than Westleaf Shares received by holders of Class C Shares, will be subject to a hold period (the "**Hold Period**"), during which time the holder of such Westleaf Shares subject to the Hold Period may not trade, offer, sell, pledge or otherwise transfer such shares. 10% of such Westleaf Shares will be released on the date of closing of the Arrangement (the "**Closing Date**"), 30% of such Westleaf Shares will be released from the Hold Period on the date that is six months from the Closing Date, 30% of such Westleaf Shares will be released from the Hold Period on the date that is nine months from the Closing Date and the remaining 30% of such Westleaf Shares will be released from the Hold Period on the date that is 12 months from the Closing Date. All such foregoing Westleaf Shares will bear a legend indicating the restrictions of the Hold Period.

After giving effect to the Arrangement and excluding from the calculation the holders of Class C Shares, the former holders of We Grow Shares will hold approximately 55% of Westleaf's issued and outstanding Westleaf Shares on a pro forma basis and the existing shareholders of Westleaf will hold approximately 45% of Westleaf's issued and outstanding Westleaf Shares on a pro forma basis.

Upon closing of the Arrangement, it is anticipated that Westleaf's board of directors will be reconstituted and will include three nominees of We Grow, being Benjamin Sze, Michael Kelly and Paul Wilson, and two nominees of Westleaf, being Cody Church and Delbert Wapass. Westleaf will be managed by Benjamin Sze as Chief Executive Officer, Scott Hurd as President, Taylor Ethans as Chief Financial Officer, Gary Leong as

Chief Compliance Officer and Adam Coates as Executive Vice-President, Commercial. The foregoing changes will constitute a “Change of Management” as defined in the policies of the TSX Venture Exchange (“**TSXV**”) (the “**Change of Management**”).

The Arrangement is anticipated to close in mid-December 2019 (the “**Effective Date**”). Closing of the Arrangement is subject to the approval of not less than 66 ⅔% of the votes cast by holders of We Grow Shares and We Grow Options, each voting as a separate class, on a resolution approving the Arrangement (the “**We Grow Resolution**”) at the upcoming meeting of the holders of We Grow Shares and We Grow Options (the “**We Grow Meeting**”) and, as a result of the Change of Management and in accordance with the polices of the TSXV, approval of not less than 50% of the votes cast by holders of Westleaf Shares on a resolution approving such Change of Management (the “**Westleaf Resolution**”) at the upcoming meeting of the holders of Westleaf Shares (the “**Westleaf Meeting**”).

It is anticipated that the We Grow Meeting and the Westleaf Meeting will each be held on or around December 11, 2019 following the mailing to such securityholders of a joint management information circular regarding the Arrangement in mid-November 2019.

Westleaf previously completed a financing of convertible debentures (“**Debentures**”) and the Arrangement constitutes a “Change of Control” as defined in the debenture indenture dated May 10, 2019 for the Debentures between the Corporation and Computershare Trust Company of Canada as trustee for the Debentures (the “**Debenture Indenture**”). Completion of the Arrangement is subject to Westleaf obtaining written consent of holders of 66 ⅔% of the principal amount of the outstanding Debentures to the Arrangement and agreement by such holders to amend the Debenture Indenture to waive any obligation of Westleaf to purchase all Debentures outstanding on the Effective Date.

Completion of the Arrangement is also subject to: (i)We Grow completing a non-brokered private placement financing of subscription receipts of We Grow (“**Subscription Receipts**”) for gross proceeds of not less than $3,000,000 at a price of $0.30 per Subscription Receipt, to be completed prior to the closing of the Arrangement (the “**We Grow Financing**”); and (ii) obtaining the Westleaf Financing (as defined herein). Each Subscription Receipt shall entitle the holder thereof to acquire one unit of We Grow (“**We Grow Unit**”), each We Grow Unit consisting of one Class C Share and one-half of one We Grow Warrant. Pursuant to the Arrangement, Class C Shares will be exchanged for Westleaf Shares on a one-for-one basis, and We Grow Warrants will be exchanged for Westleaf Warrants on a one-for-one basis. Each Westleaf Warrant will be exercisable at a price of $0.38 per Westleaf Share for a period of two years following the closing of the Arrangement. The “**Westleaf Financing**” means the additional debt capital made available to Westleaf (i) through the issuance of a new term loan; and (ii) by the removal of the restricted cash requirement under Westleaf’s existing credit facility, to be completed prior to or concurrently with the closing of the Arrangement. ATB Financial has committed, subject to certain conditions precedent to be satisfied prior to the closing of the Arrangement, to provide $8.9 million of additional credit and liquidity through a new term loan and to remove the restricted cash requirement under Westleaf’s current subsidiary level credit facilities.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

The name and business number of the executive officer of the Corporation who is knowledgeable about the material change and this report is:

Westleaf Inc.
Scott Hurd, President & CEO
Phone: (403) 870-4798

Item 9. **Date of Report**

November 15, 2019

Forward-Looking Statements and Information and Cautionary Statements

This material change report contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "anticipate", "may", "will", "should", "believe", "intends" and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this material change report contains forward-looking statements and information concerning: mailing of the information circular, timing of the We Grow Meeting, the timing of the Westleaf Meeting, the timing and proceeds from the We Grow Financing, details with respect to the Hold Period, anticipated pricing, the ability to satisfy all requirements in order to close the Arrangement and the anticipated closing of the Arrangement. Risks and uncertainties inherent in the nature of the Arrangement include the failure of the parties to satisfy the conditions to the Arrangement, in a timely manner, or at all. The failure of the parties to satisfy the conditions to the Arrangement may result in the Arrangement not being completed on the proposed terms, or at all. In addition, the failure of We Grow or Westleaf to comply with certain terms of the Arrangement Agreement may result in We Grow or Westleaf being required to pay a non-completion fee to the other party, the result of which could have a material adverse effect on Westleaf's financial position and results of operations and its ability to fund growth prospects and current operations.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of Westleaf are included in reports on file with applicable securities regulatory authorities, including but not limited to Westleaf's Annual Information Form for the year ended December 31, 2018 which may be accessed on Westleaf's SEDAR profile at www.sedar.com.

The forward-looking statements and information contained in this material change report are made as of the date hereof and Westleaf 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 applicable securities laws. This material change report shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities issued pursuant to the Arrangement described herein have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from such registration.