

Form 51-102F3

Material Change Report

Item 1. Name and Address of Company

Mineral Hill Industries Ltd. (the “Company”)
#170-422 Richards Street
Vancouver, BC, V6B 2Z4

Item 2. Date of Material Change

April 20, 2020

Item 3. News Release

The News Release dated April 20, 2020 was disseminated via Canada Newswire and filed on SEDAR.

A copy of the News Release is attached as Schedule “A”.

Item 4. Summary of Material Change

The Company wishes to announce that it has decided to unwind its previously announced private placement on February 3rd, February 14th and February 21st, 2020 and to take a new approach with non-cannabis related real estate acquisitions.

The majority of participants of MHI’s private placements funding (“PP1”) invested on the premise that all real estate projects, including the cannabis related properties, would become assets of the Resulting Issuer subsequent to TSXV approval. This cannot materialize as under the policies of the exchange material acquisitions of U.S. business or assets ancillary to the Cannabis industry cannot be approved.

Further to the TSXV’s request, and thorough discussions between the Company and the vendor, the Company’s Board of Directors resolved to unwind its announced private placement and return all of the funds received from the PP1 in order to fully comply with TSXV rules and policies. This will also include the return all payments disclosed in the Company’s news release dated February 21st, 2020.

The Company will remain focused on the real estate business with an emphasis on an UPREIT structure and will follow up on real estate projects that are not ancillary in a material way to the cannabis industry.

Item 5. Full Description of Material Change

For a full description of the material change, see Schedule “A”.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

The following Senior Officer of the Company is available to answer questions regarding this report:

Dieter Peter
Chief Executive Officer
(604) 617-6794

Item 9. Date of Report

Dated at Vancouver, BC, this 23rd day of April, 2020.

MINERAL HILL INDUSTRIES LTD.

Per: "Dieter Peter"
Dieter Peter
President & CEO


Mineral Hill Industries Ltd.

 Trading Symbols:
 TSX Venture Exchange: MHI

NEWS RELEASE

NOT FOR DISSEMINATION IN THE UNITED STATES

 Vancouver, BC, Canada – April 20th, 2020

MINERAL HILL TO UNWIND ITS PREVIOUSLY ANNOUNCED PRIVATE PLACEMENT AND TO TAKE A NEW APPROACH WITH NON-CANNABIS RELATED REAL ESTATE ACQUISITIONS

Mineral Hill Industries Ltd. (“**MHI**” or “**Company**”), listed on the TSX Venture Exchange (“**TSXV**”) under the trading Symbol “MHI”, wishes to announce that subsequent to its News Releases dated February 3rd, 2020, February 13th, 2020, and February 21st, 2020, the Company had received subscription agreements for PP1 (defined below) in the amount of CAD \$2,196,538, relating to the subscription of 2,196,538 common shares at a deemed issue price of CAD \$1.00 per share. MHI’s contract partner, SCRH, referred to in the above News Releases, and especially its owner and sole shareholder Mr. Joseph Durrell Cleghorn can be credited with the successful private placement participation.

Further to the TSXV’s request that MHI unwind PP1, after thorough discussions between MHI’s management and SCRH, the Company’s Board of Directors resolved to unwind its announced private placement “PP1” and return all of the funds received from the PP1 investors in order to fully comply with TSXV rules and policies.

The majority of participants of MHI’s initial private placement funding (“PP1”), announced on February 3rd, 2020, invested on the premise that all real estate projects, including the cannabis related properties, would become assets of the Resulting Issuer subsequent to the TSXV approval. This cannot materialize as under the policies of the exchange material acquisitions of U.S. business or assets ancillary to the Cannabis industry cannot be approved.

A thorough investigation with the SCRH’s team revealed that there was no effective way to split SCRH’s cannabis related assets (by way of option or otherwise for inclusion at a later date in the resulting issuer) as those cannabis related assets would likely continue to produce income exceeding by far the materiality threshold set under the TSXV rules. Regardless of the foregoing, the Company is required and will unwind its PP1-funding as referred to above which will include returning all payments disclosed in the Company’s News release dated February 21st, 2020.

Mr. Cleghorn, who has made a strong strategic commitment to the real estate business, has agreed to join MHI’s advisory board. The Company will remain focused on the real estate business with an emphasis on an UPREIT structure and will follow up on real estate projects which are not



ancillary in a material way to the cannabis business in order to stay in compliance with the rules of the TSXV. The Company and SCRH will jointly draft a termination agreement regarding their definitive agreement dated January 28th, 2020.

An announcement, in respect to the Company's adjusted acquisition concept and its related funding structure in consideration of the present global economic situation, will follow shortly after PP1 is unwound.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the foregoing and has neither approved nor disapproved the contents of this news release."

Neither the 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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:

This news release may contain forward-looking information within the meaning of applicable securities laws. All information and statements other than statements of current or historical facts contained in this news release are forward-looking information.

Forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in MHI's periodic filings with Canadian securities regulators. When used in this news release, words such as "will", "could", "plan", "estimate", "expect", "intend", "may", "potential", "should," and similar expressions, are forward-looking statements. Information provided in this document is necessarily summarized and may not contain all available material information.

Forward-looking statements include those with respect to TSX Venture Exchange acceptance of the unwinding of PP1; and the Company's expectation that PP1 will be successfully unwound.

Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurances that its expectations will be achieved.

Factors that could cause actual results to differ materially from expectations include (i) the Company's failure to reach all of the investors in PP1 to obtain their instructions concerning return of subscription funds on a timely basis; (ii) the Company's inability to obtain TSX Venture Exchange acceptance of the unwinding of PP1 on a timely basis and (iii) generally, the Company's inability unwind PP1 for any reason.

In addition, the factors described or referred to in the section entitled "Risks and Uncertainties" in the MD&A for the year ended December 31, 2019, of MHI, which is available on the SEDAR website at www.sedar.com, should be reviewed in conjunction with the information found in this news release.

Although MHI has attempted to identify important factors that could cause actual results, performance, or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance, or achievements not to be as anticipated, estimated, or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances, or results will materialize. As a result of these risks and uncertainties, no assurance can be given that any events anticipated by the forward-looking information in this news release will transpire or occur, or, if any of them do so, what benefits that MHI will derive therefrom. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this news release, and MHI disclaims any intention or obligation to update or revise such information, except as required by applicable law.

This news release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States



Securities Act of 1933 (the “1933 Act”) or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

For further information contact the Company or:

Dieter Peter, President & CEO

Phone: 1 (604) 617-6794

Mineral Hill Industries Ltd.

#170-422 Richards Street
Vancouver, BC, V6B 2Z4,
Canada

Ph: 604-617-6794
Fax: 604-568-9844
Email: gmmc1810@gmail.com
www.mineralhill.com