Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Bhang Inc. (the "**Bhang**" or "**Company**")
5348 Vegas Drive, Suite773
Las Vegas, NV
89108
United States

Item 2 Date of Material Change

March 5, 2021

Item 3 News Release

The news release issued by the Company on March 5, 2021 was disseminated through the facilities of Cision and was filed on SEDAR.

Item 4 Summary of Material Change

On March 5, 2021, the Company announced that it had closed an initial tranche of a non-brokered private placement of subordinate voting shares ("**Subordinate Voting Shares**") of the Company for gross proceeds of up to $2,000,000 at a price of $0.065 per Subordinate Voting Share (the "**Offering**"). The initial tranche of the Offering resulted in the issuance of 10,386,577 Subordinate Voting Shares at a price of $0.065 per Subordinate Voting Share for aggregate gross proceeds of approximately $675,128. The Company has also completed a debt settlement with an insider of the Company.

Item 5.1 Full Description of Material Change

The Company has closed an initial tranche of the Offering through the issuance of 10,386,577 Subordinate Voting Shares at a price of $0.065 per Subordinate Voting Share for aggregate gross proceeds of approximately $675,128. The proceeds of the Offering will be used for general working capital purposes.

The Company has also completed a debt settlement (the "**Debt Settlement**") with an insider (the "**insider**") relating to funds owed pursuant to an existing operating facility (the "**Operating Facility**") whereby the Company has issued an aggregate of 23,661,623 Subordinate Voting Shares at a deemed price of $0.065 per Subordinate Voting Share. As an inducement to enter into the Debt Settlement, the insider amended the Operating Facility to extend the maturity date of any future debt under the operating facility to July 17, 2023 without prior demand unless and until the occurrence of an event of default that is continuing pursuant to the terms of the Operating Facility.

The Subordinate Voting Shares issued in connection with the Offering and the Debt Settlement are subject to a statutory four month and one day hold period expiring on July 6, 2021, and such further restrictions as may apply under foreign securities laws.

One subscription under the Offering and the Debt Settlement constituted a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") as the insider received an aggregate of 27,507,777 Subordinate Voting Shares pursuant to such transactions. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the above mentioned subscription through the Offering and Debt Settlement by the insider does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering and the Debt Settlement with the insider as the details of the transaction was not settled until shortly prior to closing of the transactions.

As reported by the insider, following the completion of the Offering and Debt Settlement, the insider beneficially owns or controls 75,052,610 Subordinate Voting Shares, 15,500,000 Warrants and is deemed to hold an additional 11,892,473 Subordinate Voting Shares issuable upon conversion of the maximum advance and interest payable on the Operating Facility, representing approximately 50.42% of the issued and outstanding Subordinate Voting Shares of Bhang on a non-diluted basis and approximately 58.13% of the issued and outstanding Subordinate Voting Shares of Bhang on a partially diluted basis, assuming the exercise of all of the Warrants held by the insider and conversion of the maximum advance and interest payable on the Operating Facility.

A meeting of the board of directors was held on February 15, 2021 to discuss the merits of the transaction and alternatives for the discharge of the debt owed to the insider. After discussion amongst the independent directors (as defined in MI 61-101), a resolution of the board of directors was passed unanimously at the meeting approving the Offering and Debt Settlement. No special committee was established in connection with the transaction.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Jamie L. Pearson
Chief Executive Officer and President
Tel: (786) 953-4281

Item 9 Date of Report

March 15, 2021.

Cautionary Note Regarding Forward Looking Information

This report contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities. Forward- looking information is often identified by the words "may," "would," "could," "should," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect" or similar expressions and include information regarding: (i) statements regarding the future direction of the Company (ii) the ability of the Company to successfully achieve its business and financial objectives, and (iii) expectations for other economic, business, and/or competitive factors. Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company's management's expectations, estimates or projections concerning the business of the Company's future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: changes in general economic, business and political conditions, including changes in the financial markets; and in particular in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; adverse changes in the public perception of cannabis; decreases in the prevailing prices for cannabis and cannabis products in the markets that the Company operates in; adverse changes in applicable laws; or adverse changes in the application or enforcement of current laws; compliance with extensive government regulation and related costs, and other risks described in the Company's Listing Statement and other disclosure available on www.sedar.com.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.