

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Heritage Cannabis Holdings Corp. (“Heritage” or the “Company”)
77 Bloor Street West, Suite 600
Toronto, ON
M5S 1M2

Item 2. Date of Material Change

January 30th, 2020.

Item 3. News Release

News Release dated February 3, 2020 was disseminated on thenewswire.ca and filed on SEDAR on November 3, 2020.

Item 4. Summary of Material Change

The Company entered into a 24 month term loan agreement (the “Loan Agreement”) with Trichome Financial Corp. (“Trichome”) for total proceeds of \$6,700,000 (the “Loan”).

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Pursuant to the Loan Agreement, Trichome advanced the Company \$4,875,000 on January 30th, 2020 (the “Closing Date”) with an additional \$1,825,000 to be advanced upon the earlier of (i) the issuance of a Health Canada sales licence to the Company or (ii) the Company achieving consolidated revenues of \$7,500,000. The Loan is non-amortizing and payable in full upon maturity of the Loan, 24 months following the Closing Date. The Company may at any time after the Closing Date, but prior to the maturity of the Loan, request an increase in credit under the Loan Agreement in the aggregate amount of up to \$2,300,000, to be provided at the sole discretion of Trichome. The Company will pay an original issue discount of 4.5%, interest at a rate of nine and half percent (9.5%) per annum paid monthly, and maintain certain working capital ratios, computed on the basis of the Company’s consolidated financial statements. A one-time set-up fee equal to \$167,500 is due to Trichome on the Closing Date. The Company and each of the Company’s subsidiaries have granted Trichome a general security interest in their respective personal property. The Lender also took a charge over the lands municipally known as 333 Jarvis Street, Fort Erie, Ontario, L2A 2S0 and 5450 Highway 97, Falkland, B.C., V0E 1W0, which are legally and beneficially owned by 333 Jarvis Realty Inc. and 5450 Realty Inc.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officers

The following senior Officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Clinton Sharples, President and Chief Executive Officer
Telephone: 604-628-1767

Item 9. Date of Report

DATED at Toronto, ON, this 10th day of February, 2020.