**FORM 51-102F3**

***MATERIAL CHANGE REPORT***

**Item 1. Name and Address of Issuer:**

Heritage Cannabis Holdings Corp. ("**Heritage**" or the "**Company**")
66 Wellington Street West, Suite 4100
Toronto, ON M5K 1B7

**Item 2. Date of Material Change:**

August 29, 2024

**Item 3. News Release:**

A news release disclosing the material change was issued and disseminated through the facilities of Cision on August 29, 2024, and subsequently filed on SEDAR+ at www.sedarplus.com.

**Item 4. Summary of Material Change:**

On August 29, 2024, the Company announced that in connection with the Company's creditor protection proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**") and its sale and investment solicitation process approved as part of the CCAA proceedings, it completed the transaction (the "**Transaction**") contemplated by the amended and restated stalking horse subscription agreement (the "**Amended and Restated Stalking Horse Agreement**") entered into on June 17, 2024 among, *inter alios*, the Company, Heritage Cannabis West Corporation, Heritage Cannabis East Corporation, as vendors and HAB Cann Holdings Ltd. ("**HAB Cann**"), as the purchaser.

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

**5.1 Full Description of Material Change**

On August 29, 2024, the Company announced that in connection with the Company's CCAA proceedings and its sale and investment solicitation process approved as part of the CCAA proceedings, it completed the Transaction contemplated by the Amended and Restated Stalking Horse Agreement entered into on June 17, 2024 among, *inter alios*, the Company, Heritage Cannabis West Corporation, Heritage Cannabis East Corporation, as vendors and HAB Cann, as the purchaser.

On April 2, 2024, the Company and its Canadian subsidiaries (collectively, the "**Heritage Group**") obtained an initial order (as amended and restated from time to time, the "**Initial Order**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granting the Heritage Group protection under the CCAA. The Initial Order, among other things, appointed KPMG Inc. as the Court-appointed monitor of the Heritage Group.

On June 26, 2024, the Court granted an order under the CCAA (the "**Approval and Reverse Vesting Order**") pursuant to which the Court, among other things, approved the Amended and Restated Stalking Horse Agreement and the transactions contemplated thereunder. Among other things, the Approval and Reverse Vesting Order, authorized and directed Heritage to, (1) issue the Purchased Shares (as defined in the Amended and Restated Stalking Horse Agreement) to HAB Cann, and, (2) upon closing of the Transaction deem all Equity Interests (as defined in the Approval and Reverse Vesting Order) of Heritage other than the Purchased Shares as having been terminated and cancelled without consideration.

The common shares of the Company were delisted from the Canadian Securities Exchange at the close of business on August 26, 2024, and from the OTC Pink at the close of business on August 28, 2024.

On August 27, 2024, an order was issued by the Ontario Securities Commission ("**OSC**") for the partial revocation of the failure-to-file cease trade order ("**FFCTO**") issued by the OSC on April 8, 2024 as a result of the Company's failure to file certain continuous disclosure documents, thereby allowing the Company to complete the Transaction. The Company will be filing an application with the requisite securities regulatory authorities to cease to be a reporting issuer in Alberta, British Columbia, Nova Scotia, New Brunswick and Ontario.

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

Not applicable.

**Item 7. Omitted Information**

No information has been omitted from this report on the basis that it is confidential information.

**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:

David Schwede, Chief Executive Officer

Telephone: 1-888-940-5925

**Item 9. Date of Report**

DATED at Toronto, ON, this 5th day of September, 2024.