FORM 51-102F3 - MATERIAL CHANGE REPORT

1. NAME AND ADDRESS OF COMPANY

EXMceuticals Inc.
421 7th Avenue SW, 30th Floor
Calgary, AB T2P 4K9

2. DATE OF MATERIAL CHANGE

July 22, 2020

3. NEWS RELEASE

News release dated July 22, 2020 was disseminated through the facilities of GlobeNewsWire and filed on SEDAR

4. SUMMARY OF MATERIAL CHANGE

EXMceuticals Inc. announces closing of a private placement and strategic debt to equity conversion strengthening their balance sheet

5. FULL DESCRIPTION OF MATERIAL CHANGE

EXMceuticals Inc. (the "Company") is pleased to announce that it has completed the sale of 5,180,000 units on a private placement basis at a price of $0.20 per unit for total cash proceeds of $1,036,000 (the "Private Placement"). Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.30 per share for a period of 18 months from closing of the Private Placement. The proceeds from the oversubscribed Private Placement will be used for general working capital and ongoing R&D and refinery project development at the Company's Portugal based operations. All shares are issued subject to a four month hold period.

In connection with the Private Placement, the Company issued 71,400 share purchase warrants as finder's fees. Each finders warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 per share for a period of 18 months. The securities issued pursuant to the Private Placement are subject to a statutory four month hold period expiring on November 23, 2020.

The Company also announces that pursuant to certain loan agreements previously entered into between the Company and certain lenders, such lenders may participate in a qualifying equity financing for no less than the full amount of the principal under the applicable loan agreement, provided that such amount would be for shares only (no warrants). The Private Placement constitutes a qualifying equity financing, and as such lenders may subscribe for up to 23,050,855 common shares at a price of $0.20 per share for gross proceeds of up to $4,610,171, being an amount equal to the principal outstanding under such loan agreements. Upon closing, if the lender has participated in acquiring shares, the principal amount of their loan will be deemed repaid in full. In addition, the participation of the lenders would trigger the conversion of special warrants into shares, that were previously issued as a loan bonus under the loan agreements. Completion of the participation right is subject to lenders entering into subscription agreements as described above. Any shares issued are issued subject to a four month hold period.

Loan Updates

The Company further announces that Mr. Summers agreed to refinance amounts due and owing under a loan agreement dated June 7, 2019 in the principal amount of $600,000 to the Company (the "June Loan"). The June Loan was due and payable on December 7, 2019. Mr. Summers has agreed to enter into a new loan agreement to refinance the obligations under the June Loan in the amount of $664,500 as at July 1, 2020. In addition, the new loan (the "2020 Loan") will include accrued and unpaid expenses of Mr. Summers in the amount of $25,671, and accrued and unpaid interest on the July Loan Facility Agreement (defined below) in the amount of $164,000 as at July 1, 2020. The total principal amount of the 2020 Loan is $854,171. The 2020 Loan will be for a term of 6 months, and bear interest at 10% per annum. In connection with the 2020 Loan, the Company agreed to issue 427,085 bonus special warrants, with each such special warrant being convertible into a common share of the Company for no additional consideration, subject to the principal amount of the loan being applied to a subsequent equity financing.

The Company previously entered into a separate loan facility agreement dated July 5, 2019 (the "July Loan") with Mr. Summers, for the principal amount of $1,400,000, which was fully advanced to the Company. The July Loan is due and payable on January 5, 2021 and bears an interest rate of 12% per annum until the July Loan maturity date. Mr. Summers received 207,407 special warrants in connection with the July Loan. Pursuant to the July Loan Mr. Summers is also entitled to receive share purchase warrants exercisable at $1.35 per share on the maturity date with the number of warrants being based on coverage ranging from 10% and 50% of the principal amount using $1.35 per share, with the percentage depending on the fair market value of the shares of the Company as at that maturity date. In connection with the agreement of Mr. Summers to include $164,000 of interest due under the July Loan as part of the 2020 Loan, the Company agreed to amend the warrant coverage to 700,000 bonus warrants exercisable at a price of $0.40 per share for a period of 5 years until July 4, 2024.

Pursuant to Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101") the Company advises that the loan agreements and the Private Placement are related party transactions under MI 61-101 and are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to section 5.5(a) and section 5.7(1)(a) of the instrument.

Other Share Transactions

The Company further announces that it has issued an aggregate of 251,096 common shares of which 220,859 shares were issued to Luminous Capital Inc. for financial services provided to the Company, and 30,237 were issued in total to multiple parties to correct errors on a prior private placement. All shares are issued subject to a 4-month hold period.

The Company also announces that pursuant to the terms of an employment agreement with Mr. Jonathan Summers in connection with his agreement to act as an executive officer of the Company, it had agreed to grant incentive stock options to purchase up to 5,000,000 common shares of the Company, which have now been granted at a price of $0.40 per share for a period of 5 years.

6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

7. OMITTED INFORMATION

Not applicable.

8. EXECUTIVE OFFICER

Julie Lemieux, Corporate Secretary
Telephone: +1 587 390-8541

9. DATE OF REPORT

July 28, 2020