

51-102F3 Material Change Report

Item 1 Name and Address of Company

ISRACANN BIOSCIENCES INC (the “Company”)

1600 – 595 Burrard Street
Vancouver, BC V7C 1L4

Item 2 Date of Material Change

March 24, 2020

Item 3 News Release

NR #20-05 dated March 24, 2020

Item 4 Summary of Material Change

The Company Enters JV for Near-Term Cannabis Farm Production Opportunity in Israel

Item 5 Full Description of Material Change

The Company announced its entry into a joint venture agreement (the “JV Agreement”) resulting in a phased partnership of two near-term farm operations located in the Sharon Plain region of Israel.

The terms of the joint venture include a non-dilutive agreement with a purchase price of 4 million ILS (Israeli Shekel) or approximately CAD\$1.5 million to acquire 50% of the Sharon Plain operation subject to pending Israeli Medical Cannabis Agency (IMCA) approval. Subsequently, upon commercial commencement of production an additional 3 million ILS or approximately CAD\$1.2M payment will be due. The joint venture will equally share both operating costs and revenue through participation in a number of agreements comprising construction services, growing services, land lease agreements, IMCA licenses, and a number of sub agreements establishing and defining the various rights of all parties.

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

This report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

Item 7 Omitted Information

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

Item 8 Executive Officer

The following officer of the Company is knowledgeable about the material change disclosed in this report: Darryl Jones, CEO & Director, Tel: +1(604)343-8661

Item 9 Date of Report

March 24, 2020

News Release

Isracann Enters JV for Near-Term Cannabis Farm Production Opportunity in Israel

- Partnership advances time-to-market to under six months

VANCOUVER, BC, -- (GLOBE NEWSWIRE – March 24, 2020) – **Isracann Biosciences Inc.** (CSE: IPOT) (XFRA: A2PT0E) (OTC: ISCNF) (the “Company” or “Isracann”) an Israel-based company focused on becoming a premier low cost, high quality cannabis producer for both domestic and European export sales, is pleased to announce its entry into a joint venture agreement (the “JV Agreement”) resulting in a phased partnership of two near-term farm operations located in the Sharon Plain region of Israel. Today’s announcement positions the Company for revenue generating opportunities earlier than previously planned with the Company’s current development project in Nir Israel.

The Israel Medical Cannabis (IMC) compliant farm properties operates under preliminary cannabis nursery and cultivation licenses and are preparing to commence planting within weeks. The farms are contiguously located and together currently maintain a total of over 160,000 sq. ft. of greenhouse canopy along with related infrastructure facilities. These greenhouses are located on a 2,000,000 sq. ft. parcel of private land, with the potential for expanded production and processing operations. Private lands are rarely available in Israel and are free from the requirement of land commission regulatory approval, thereby minimizing licensing delays.

The joint venture partner/operator is a regionally well-known, highly respected and active cannabis grower. The principals of the local partner enjoy a family history of building and operating greenhouse operations across the middle east and proven sector ability with over 2-years experience as owners of a stable and productive cannabis farm servicing the domestic Israeli market. Their technical proficiency includes an active tissue culture program and most importantly, has resulted in securing critical plant genetics which will be available to the JV operation.

All aspects of the operations are regulatory compliant with the greenhouse facilities constructed to IMC-GAP and IMC-GMP standards including security procedures which are in accordance with IMC-GSP regulations. The entire operation is designed for EU-GMP certification and Isracann’s EU-GMP consultants will be reviewing all necessary protocols for future export operations. Based on existing parameters, full scale production targets a combined total projected yield of 12,600kg of dried cannabis flow per year. Based on scheduled planting commencing in Q2 this year, initial sales could initiate by early Q3, 2020, reducing the anticipated time-to-market in Isracann’s strategic plans.

The terms of the joint venture include a non-dilutive agreement with a purchase price of 4 million ILS (Israeli Shekel) or approximately CAD\$1.5 million to acquire 50% of the Sharon Plain operation subject to pending Israeli Medical Cannabis Agency (IMCA) approval. Subsequently, upon commercial commencement of production an additional 3 million ILS or approximately CAD\$1.2M payment will be due. The joint venture will equally share both operating costs and revenue through participation in a number of agreements comprising construction services, growing services, land lease agreements, IMCA licenses, and a number of sub agreements establishing and defining the various rights of all parties.

Company CEO, Darryl Jones states, “During our recent visit to Israel we were able to enter into prolonged and detailed face-to-face discussion with our new partners. After an extensive review of the operations and the overall agronomic, legal and financial situation, we felt the opportunity to work with our new partners combined with ramping up sales so much faster than anticipated

was absolutely worth it both in the short term as well as part of a smart long term strategy. From a sales perspective, there have been industry reports discussing plans to import medical cannabis from Canada into Israel which clearly demonstrates growing domestic demand. Plus, the ability to export into European markets continues to be a major part of our business development objectives. As of this announcement today, with facilities, permits, approvals and partners in-place, we have officially launched our commercial activities in Israel and beyond.”

The JV complements the Company’s existing medical cannabis project in Nir Israel pursuant to its joint venture agreements held by its wholly owned Israeli subsidiary, Cannisra Holdings Ltd. The Cannisra project will be a bespoke cultivation project to which the Company has spent significant time, effort and expense planning, designing and making regulatory application for the development of the cultivation facility.

ON BEHALF OF THE BOARD OF DIRECTORS

“Darryl Jones”

Darryl Jones
Chief Executive Officer and President

About Isracann Biosciences Inc. (CSE: IPOT) (XFRA: A2PT0E) (OTC: ISCNF)
Isracann is an Israeli-based cannabis company focused on becoming a premier cannabis producer offering low-cost production targeting undersupplied, major European marketplaces. Based in Israel's agricultural sector, Isracann will leverage its development within the most experienced country in the world with respect to cannabis research. The Company has secured agreements within Israel for medicinal marijuana cultivation. For more information visit: www.isracann.com.

The CSE does not accept responsibility for the adequacy or accuracy of this release.

All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ, materially from the Company’s expectations are disclosed in the Company’s documents filed from time to time with the Canadian Securities Exchange, the British Columbia Securities Commission, the Ontario Securities Commission, and the Alberta Securities Commission.

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