

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Reporting Issuer

Zidane Capital Corp. (the “**Company**”)
Suite 605 - 889 West Pender Street
Vancouver, B.C., V6C 3B2

Item 2. Date of Material Change

January 19, 2017

Item 3. News Release

A news release was disseminated on January 19, 2017 through The Newswire and subsequently filed on SEDAR.

Item 4. Summary of Material Changes

The Company announced that it commenced a legal action in the B.C. Supreme Court in Vancouver, B.C., against HydRx Farms Ltd. (“**HydRx**”). The Company is seeking, among other things, specific performance of the amalgamation agreement entered into on January 12, 2016 with HydRx and Precursor Capital Corp.

Item 5. Full Description of Material Change

The Company announced that it has commenced a legal action in the British Columbia Supreme Court in Vancouver, British Columbia, against HydRx.

The legal action is in respect of HydRx’s proposed business combination (the “**CannSci & HydRx Merger**”) with CannScience Innovations Inc. (“**CannSci**”) and HydRx’s notice of purported termination of the amalgamation agreement (the “**Amalgamation Agreement**”) among Zidane, HydRx and Precursor Capital Corp. (“**Precursor**”) dated January 12, 2016.

In the Amalgamation Agreement, Zidane, HydRx and Precursor agreed to a business combination by way of a three-cornered amalgamation (the “**Zidane & HydRx Merger**”), which was first announced by Zidane in a news release dated December 16, 2015.

HydRx is a Licensed Dealer of cannabis and cannabis derivatives pursuant to the *Controlled Drugs and Substances Act* and is in the pre-licensing inspection stage in respect of its application to become a Licensed Producer under the *Access to Cannabis for Medical Purposes Regulations*. Notice of the proposed CannSci & HydRx Merger and notice of purported termination were given to Zidane in December 2016 and January 2017, respectively, following the

dramatic increase in the market value of the Canadian cannabis stocks listed on the TSX Venture Exchange and the TSX in the fall of 2016.

In the Notice of Civil Claim, Zidane claims, among other things, that:

1. In breach of the Amalgamation Agreement, Hydrx entered into or intends to enter into an agreement with CannSci to give effect the CannSci & HydrRx Merger pursuant to which Hydrx and CannSci would merge their businesses by way of a three-cornered amalgamation.
2. In breach of the Amalgamation Agreement, Hydrx concealed from Zidane its negotiations with CannSci and other steps taken in furtherance of the CannSci & HydrRx Merger, and has failed or refused to confirm the ongoing accuracy of its representations and warranties pursuant to the Amalgamation Agreement.
3. In breach of the Amalgamation Agreement, Hydrx has failed or refused to take steps in furtherance of completing the Zidane & HydrRx Merger and has not met its duty of honest performance of the Amalgamation Agreement.

In its legal action, Zidane is seeking, among other things, specific performance of the Amalgamation Agreement.

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

For further information, please contact Casper Bych, Chief Executive Officer, (604) 417-6375.

Item 9. Date of Report

January 20, 2017