FORM 51-102F3
Material Change Report

1. Name and Address of Company

Organic Garage Ltd. (“the **Issuer**”)
50 Akron Road, Unit B
Toronto, ON M8W 1T2

2 Date of Material Change

February 28, 2017

3. News Release

A news release was issued and disseminated on February 28, 2017 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “A” hereto.

4. Summary of Material Change

A news release was issued and disseminated on February 28, 2017 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “A” hereto.

5. Full Description of Material Change

A news release was issued and disseminated on February 28, 2017 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “A” hereto.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”):

a) **a description of the transaction and its material terms:**

The Company announced the issuance of 10,993,500 units of the Company (each the “Unit”, collectively the “Units”) at a price of $0.25 per Unit for aggregate gross proceeds of $2,748,375, initially disclosed on February 6, 2017. Each Unit consisted of one common share (a “Common Share”) and one common share purchase warrant (a “Warrant”) entitling the holder to acquire one Common Share at a price of $0.35 for a period of two years following the closing date.

b) **the purpose and business reasons for the transaction:**

The Units were issued pursuant to a private placement offering (the "Offering") of the Units. The net proceeds of the Offering will be used for growth initiatives as well as general corporate and working capital purposes.

c) **the anticipated effect of the transaction on the issuer's business and affairs:**

The net proceeds of the Offering will be used for growth initiatives as well as general corporate and working capital purposes.

d) **a description of:**

i. **the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

Christopher Crupi, a director of the Company, acquired 400,000 Units pursuant to the Offering, each Unit consisting of one Common Share and one Warrant, for an aggregate acquisition of 400,000 Common Shares and 400,000 Warrants.

ii. **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

As a result of the issuance of the Units, Mr. Crupi will beneficially own, directly or indirectly, or exercise control or direction of 1,883,750 common shares and 705,000 warrants to purchase common shares in the capital stock of the Company, representing 5.8 % of the issued and outstanding common shares of the Company on an undiluted basis and 7.7 % on a fully diluted basis.

e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

A resolution of the board of directors of the Company duly authorized the Offering on or about February 28, 2017.

f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

   i. **that has been made in the 24 months before the date of the material change report:**

   Not applicable.

   ii. **the existence of which is known, after reasonable enquiry to the issuer or to any director or officer of the issuer:**

   Not applicable.

g) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Mr. Crupi and the Company entered into a Subscription Agreement in the form entered into by the Company with all subscribers to the Offering, which agreement set out the terms of the Offering, as disclosed.

h) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The issuance of the Units constitutes a “related party transaction” for the Company under MI 61-101. No formal valuation on the part of the Company is required under MI 61-101 in respect of the issuance of the Units, including both the Common Shares and the Warrants, to insiders of the Company. The Company is relying on the exemptions from the formal valuation and minority approval requirements under MI 61-101. The Company is exempt from the formal valuation requirement of MI 61-101 based on section 5.5(b) of MI 61-101 as no securities of the Company are listed or quoted for trading on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ stock market or any other stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the Plus operated by Plus Markets Group plc. Additionally, the Company is exempt from obtaining minority shareholder approval in connection with the issuance of the Shares by relying on section 5.7(1)(b) of MI 61-101 as, in addition to the foregoing, (i) neither the fair market value of the Units nor the consideration received in respect thereof from “interested parties” as defined by MI 61-101 would exceed $2,500,000, (ii) the Company has one or more independent directors in respect of the issuance of the Shares who are not employees of the Company, and (iii) all of the independent directors have approved the issuance of the Units.

As this material change report is being filed less than 21 days before the issuance of the Shares, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company, such shorter period was reasonable and necessary in the circumstances as the Company was not aware of insider participation at such time.

6. Disclosure for Restructuring Transactions:

Not applicable.

7. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

8. Omitted Information

No significant facts remain confidential in, and no information has been omitted from, this report.

9. Executive Officer

Matt Lurie, President and CEO
T: 416-201-3039

10. Date of Report

March 10, 2017

Cautionary Note Regarding Forward-looking Statements

This material change report contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "may", "will", "project", "should" or similar words, including negatives thereof, suggesting future outcomes.

Forward-looking statements are subject to both known and unknown risks, uncertainties and other factors, many of which are beyond the control of Organic Garage, that may cause the actual results, level of activity, performance or achievements of Organic Garage to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: general business, economic, competitive, political and social uncertainties; negotiation uncertainties and other risks of the grocery industry. Although Organic Garage has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties, some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Organic Garage's actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Any forward-looking statements are made as of the date hereof and, except as required by law, neither Organic Garage assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.

SCHEDULE “A”

ORGANIC GARAGE ANNOUNCES CLOSING OF $2.75 MM PRIVATE PLACEMENT FINANCING

Not for distribution to United States newswire services or for dissemination in the United States

February 28, 2017, Toronto, Canada: Organic Garage Ltd. (CSE:OG) (“the “Company”) is pleased to announce that it has completed its previously announced brokered private placement (the “Offering”) of units (the “Units”). Cormark Securities Inc. (“Cormark” or the “Agent”) acted as the sole agent in connection with the Offering. Pursuant to the Offering, the Company issued 10,993,500 Units at a price of $0.25 per Unit for aggregate gross proceeds of $2,748,375, which exceeded the minimum targeted financing amount of $1,500,000, as disclosed in the news release on February 6, 2017. Each Unit consisted of one common share (a “Common Share”) and one common share purchase warrant (a “Warrant”) entitling the holder to acquire one Common Share at a price of $0.35 for a period of two years following the closing date.

The net proceeds of the Offering will be used for growth initiatives as well as general corporate and working capital purposes. The Offering remains subject to final approval of the Canadian Securities Exchange.

Cormark received a cash commission equal to 6.0% of the gross proceeds raised in the Offering and was granted compensation options to purchase common shares of the Company equal to 6.0% of the total number of Units issued pursuant to the Offering, exercisable for a 24-month period from the closing of the Offering at a price of $0.25 per common share.

One or more insiders of the Company participated in a portion of the Offering, to be set out in a material change report. The Company did not file a material change report 21 days prior to the closing of the Offering as insider participation had not been established at that time.

All securities issued in connection with the Offering are subject to a four-month hold period.

This press release shall not constitute an offer to sell or solicitation of an offer to buy the securities in any jurisdiction. The common shares and warrants will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements.

About Organic Garage Ltd.

Organic Garage (CSE: OG) is one of Canada’s leading independent organic grocers committed to offering its customers a wide selection of healthy and natural products at everyday affordable prices. The company’s stores are in prime retail locations designed to give customers an inclusive, unique and value-focused grocery shopping experience.

Founded in 2005 by a fourth generation grocer, Organic Garage is headquartered in Toronto and operates a highly efficient supply chain through its centralized distribution centre. The company is focused on expanding its retail footprint with two retail locations in the Greater Toronto Area and a third location currently under construction. For more information please visit the Organic Garage website at www.organicgarage.com

For further information please contact:

Evan Clifford, Director

Christopher Crupi, Director

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THE CANADIAN SECURITIES EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THE CONTENT OF THIS NEWS RELEASE.

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