

Form 51-102F3

Material Change Report

Item 1 **Name and Address of Company**

BC Craft Supply Co. Ltd. (formerly Pasha Brands Ltd.). (the “Company”)
Suite 1790-1066 W Hastings St,
Vancouver BC V6E 3X1

Item 2 **Date of Material Change**

May 20, 2020

Item 3 **News Release**

The news release was disseminated on **May 20, 2020** by way of the facilities of Globenewswire, posted to the Company’s CSE Disclosure Hall and filed on SEDAR.

Item 4 **Summary of Material Change**

The Company announces that it has entered into a credit agreement (the “Credit Agreement”) with certain arm-length creditors to replace certain existing promissory notes which bear an interest rate of six percent (6%) per annum.

The Company and certain arms-length creditors to the Creditor Agreement have reached agreements to settle outstanding indebtedness of \$1,540,000 incurred, in consideration for the issuance of 22,000,000 common shares (“Shares”) issued at a deemed price of \$0.07 per Share (the “Debt Settlement”).

All securities issued in connection with the Debt Settlement will be subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws.

Item 5 **Full Description of Material Change**

Item 5.1 **Full Description of Material Change**

See the attached news release dated May 20, 2020.

Item 5.2 **Disclosure for Restructuring Transactions**

Not applicable.

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**

Johannes (Theo) van der Linde, Chief Financial Officer

Business Telephone: 604 687 2038
Facsimile: 604 687 3141

Item 9 **Date of Report**

May 28, 2020.



BC Craft Supply Announces Debt Conversion

VANCOUVER, BC (May 20, 2020) – BC Craft Supply Co. Ltd. (the “**Company**” or “**BC Craft**”) (CSE: **CRFT**) (OTC:CRFTF) (FSE:ZZD1) announces that it has entered into a credit agreement (the “**Credit Agreement**”) with certain arm-length creditors to replace certain existing promissory notes which bear an interest rate of six percent (6%) per annum.

The Company and certain arms-length creditors to the Creditor Agreement have reached agreements to settle outstanding indebtedness of \$1,540,000 incurred, in consideration for the issuance of 22,000,000 common shares (“**Shares**”) issued at a deemed price of \$0.07 per Share (the “**Debt Settlement**”).

All securities issued in connection with the Debt Settlement will be subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws.

For further information please contact Matthew Watters, Director, at (604) 687-2038.

About BC Craft Supply Co. Ltd.

Based in British Columbia, BC Craft is both North America’s largest network and aggregator of craft cannabis and Canada’s only prohibition-era brand house firmly rooted in the culture and made up by the people that created the original cannabis industry. With proven capabilities in cannabis cultivation, genetic research and development, product processing, and retail, BC Craft is uniquely positioned in the new legal cannabis market through its network of hundreds of craft cannabis suppliers under the BC Craft umbrella.

BC Craft subsidiary, Medcann Health Products Ltd., is a Health Canada licensed cultivator and processor with a licence to sell medical cannabis products in Canada. BC Craft, and its subsidiary 1178558 B.C. LTD, assists micro cultivation farmers in bringing craft quality into the newly legal cannabis market in Canada by assisting them in both gaining access to licensing but also through its proprietary quality assurance and testing platform known as Craft Labs™, a proprietary platform bringing quality assurance to the craft industry, 1178558 B.C. LTD is driven to assist craft growers in obtaining security clearance and licensing to grow as micro-cultivators, specializing in education and compliance to bring growers into the regulated cannabis supply market.

BC Crafts's common shares trade on the CSE under the symbol "CRFT" and on the FSE under the symbol "ZZD1".

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this press release, which has been prepared by management.

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. BC Craft disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.