FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company:**

Veritas Pharma Inc.
3200 – 650 West Georgia Street
Vancouver, BC V6B 4P7

(the "Company")

2. **Date of Material Change:**

May 19, 2020

3. **Press Release:**

A press release was disseminated on May 22, 2020 and was subsequently filed on SEDAR.

4. **Summary of Material Change:**

Veritas Pharma Inc. ("**Veritas**" or the "**Company**") has entered into a Letter of Intent (the "**LOI**") to acquire Indigenous Bloom Hemp Corporation ("**HempCo**") through a business combination in consideration for $28,000,000 payable by the issuance of common shares at a deemed price per share equal to the closing price of the Company's common shares on the Canadian Securities Exchange (the "**CSE**") on the day prior to closing.

5. **Full Description of Material Change:**

The Company has entered into the LOI to acquire HempCo through a business combination. HempCo operates a large-scale industrial hemp farm in Southern Manitoba on approximately 347 acres of zoned farmland. The primary business of HempCo is the sale of hemp biomass, flower, and phytocannabinoid rich extracts derived from hemp biomass. Currently, HempCo is operating under a third-party cultivation license, however, HempCo has applied to Health Canada for its own license and will transition to that license once approved.

Veritas commissioned an independent valuation of HempCo from Maarschalk Valuations Inc., which assigned a valuation of approximately $28,000,000 for HempCo's assets and business operations.

The definitive structure of the acquisition will be determined by mutual agreement of Veritas and HempCo. It is management's belief that this transaction could constitute a fundamental change of business operations under CSE policies. Additionally, the transaction will be conducted at arm's length and will not include payment of any finders' fees.

Summary of the terms of the LOI are as follows:

1. Veritas agrees to acquire 100% of the issued and outstanding shares of HempCo for aggregate consideration of $28,000,000 to be provided in common shares of Veritas, at a deemed price per share equal to the closing price on the CSE on the day prior to closing.

2. Veritas and HempCo are allotted the time and the right to conduct reasonable due diligence.

3. The parties agree to enter into and execute the Definitive Agreement by July 31st, 2020.

4. All shares held by persons who will be principals of Veritas following closing will be subject to CSE escrow requirements.

5. The business combination will be subject to confirmation from each party that the proposed combination does not create any material conflicts in relation to the licenses held by the respective companies or licenses under which they operate.

6. Upon combination of the businesses, Veritas agrees that its Board of Directors will include nominees from HempCo.

7. Closing will be subject to approval by the CSE and Veritas shareholders, completion of definitive documentation and other customary closing conditions.

Both parties have agreed to share comprehensive financial statements and information; in addition to all relevant documentation during the due diligence period. HempCo's relevant financial information will be made public and included in a subsequent news release, upon execution of the definitive agreement.

6. **Reliance on Subsection 7.1(2) of the National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not applicable.

7. **Omitted Information:**

Not applicable.

8. **Executive Officer Knowledgeable of Material Change:**

Peter McFadden, Interim CEO & CFO
Telephone: (604) 827-5520

9. **Date of Report:**

May 25, 2020