

**FORM 51-102F3**  
**Securities Act**

**MATERIAL CHANGE REPORT UNDER THE ACT**

1. Name and Address of Company:

CanadaBis Capital Inc.  
4303 – 9<sup>th</sup> Street SE.  
Calgary, Alberta, T2G 3C8

2. Date of Material Change: January 19, 2018

3. News Release: Issued on January 19, 2018 through FSCwire

4. Summary of Material Change:

**CANADABIS CAPITAL INC.** (TSXV - CANB.P) (the "**Corporation**"), a capital pool company, is pleased to announce that it has signed a letter of intent dated January 19, 2018, (the "**LOI**") with Applied Data Finance, LLC, a limited liability company existing under the laws of the State of Delaware ("**ADF**"). The LOI outlines the general terms and conditions pursuant to which the Corporation and ADF would be willing to complete a transaction that will result in a reverse take-over of the Corporation by the security holders of ADF and is intended to constitute the "qualifying transaction" of the Corporation under Policy 2.4 – *Capital Pool Companies* of the TSX Venture Exchange (the "**TSXV**"). The Corporation expects to be classified as a Technology issuer upon completion of the transaction.

5. Full Description of Material Change:

5.1 Full Description of Material Change

**CANADABIS CAPITAL INC.** (TSXV - CANB.P) (the "**Corporation**"), a capital pool company, is pleased to announce that it has signed a letter of intent dated January 19, 2018, (the "**LOI**") with Applied Data Finance, LLC, a limited liability company existing under the laws of the State of Delaware ("**ADF**"). The LOI outlines the general terms and conditions pursuant to which the Corporation and ADF would be willing to complete a transaction that will result in a reverse take-over of the Corporation by the security holders of ADF and is intended to constitute the "qualifying transaction" of the Corporation under Policy 2.4 – *Capital Pool Companies* of the TSX Venture Exchange (the "**TSXV**"). The Corporation expects to be classified as a Technology issuer upon completion of the transaction.

The transaction is expected to result in the security holders of ADF exchanging all securities of ADF for shares of the Corporation. It is expected that the shares of the Corporation to be issued in consideration for the securities of ADF will consist of a combination of common shares of the Corporation and restricted voting common shares (having no votes in the election of directors) of the Corporation ("**Restricted Voting Shares**"). The Restricted Voting Shares will not be listed on the TSXV.

The transaction will be structured by way of a plan of arrangement, amalgamation, merger, takeover bid, reorganization or other similar form of transaction, as determined following a review of all relevant legal, regulatory and tax matters (the "**Transaction**"). The LOI contemplates the Corporation and ADF entering into a definitive agreement (the "**Definitive Agreement**") prior to February 22, 2018 (or such other date as may be agreed to by the parties). The LOI may be terminated by either party in certain circumstances, including if the Definitive Agreement is not executed prior to February 22, 2018. The Transaction is subject to requisite regulatory approvals, including the approval of the TSXV, and standard closing conditions, including the approval of the directors of each of the Corporation and ADF of the Definitive Agreement and completion of due diligence investigations to the satisfaction of each of the Corporation and ADF, as well as the conditions described below. The legal structure for the Transaction will be confirmed after the parties have considered all applicable tax, securities law and accounting efficiencies.

The Corporation is incorporated under the provisions of the *Business Corporations Act* (Alberta) with its registered and head office in Calgary, Alberta and is a "reporting issuer" in the provinces of British Columbia, Alberta and Ontario.

The Transaction is not a non-arm's length transaction within the meaning of the policies of the TSXV. Trading in the shares of the Corporation on the TSXV has been halted and will remain halted pending receipt by the TSXV of applicable documentation.

#### **Terms of the LOI and Conditions to the Transaction**

The LOI provides that completion of the Transaction is subject to a number of conditions including:

- Each of the parties completing financial and legal due diligence and entering into a Definitive Agreement in respect to the Transaction on or before February 22, 2018.
- Certain principals of the Corporation shall have surrendered a total of 1,500,000 common shares of the Corporation for cancellation.
- A concurrent brokered private placement to raise approximately Cdn\$65 million in additional funds by the issuance of subscription receipts of a special purpose entity to be established in order to facilitate the Transaction on behalf of ADF (the "**Financing**"). The Financing will be offered to persons who qualify as "accredited investors" or who similarly qualify in the jurisdiction in which they reside to purchase subscription receipts on a prospectus-exempt basis.
- The Corporation will have obtained all necessary approvals, consents and acceptances, including all necessary approvals from the applicable securities regulatory authorities.
- The parties will prepare a filing statement or information circular in accordance with the rules of the TSXV, outlining the terms of the Transaction.
- ADF will obtain the requisite securityholder approvals, as applicable, for the Transaction.
- All requisite regulatory approvals relating to the Transaction, including, without limitation, meeting the minimum listing requirements of the TSXV and obtaining TSXV approval.

It is a further term of the LOI that upon completion of the Transaction the resulting issuer's board will be comprised of directors that will be nominated by ADF and that the resulting issuer will be domiciled in The Cayman Islands.

#### **About ADF**

ADF is an innovative, artificial intelligence ("AI") based, online lender led by a highly seasoned management team with deep experience in both AI and consumer credit. Focused on making loans to non-prime consumers in the United States, ADF has originated over US\$90 million in loans to over 23,000 consumers. ADF's AI driven approach enables it to optimize critical elements in the lending business, including marketing, fraud prevention, credit adjudication, and collections.

Further information relating to ADF will be included in a subsequent press release in connection with the Transaction.

### **Sponsorship**

Sponsorship may be required by the TSXV unless exempt in accordance with TSXV policies. The Corporation is currently reviewing the requirements for sponsorship and intends to apply for an exemption from the sponsorship requirements. There is no assurance that an exemption from this requirement will be obtained. The Corporation intends to include any additional information regarding sponsorship in a subsequent press release.

All information contained in this news release with respect to the Corporation and ADF was supplied by the parties, respectively, for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

#### **5.2 Disclosure for Restructuring Transactions**

N/A

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102: N/A
7. Omitted Information: N/A
8. Executive Officer: Barb O'Neill, Corporate Secretary  
Phone: (587) 356-5625

DATED at Calgary, Alberta, this 22nd day of January, 2018.

"Barbara O'Neill"

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Barbara O'Neill, Secretary

## CANADABIS CAPITAL INC.

### CANADABIS ANNOUNCES LETTER OF INTENT AND INTENTION TO COMPLETE ITS QUALIFYING TRANSACTION

#### Press Release – For Immediate Dissemination

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#### **Terms of the LOI and Conditions to the Transaction**

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- Each of the parties completing financial and legal due diligence and entering into a Definitive Agreement in respect to the Transaction on or before February 22, 2018.
- Certain principals of the Corporation shall have surrendered a total of 1,500,000 common shares of the Corporation for cancellation.

- A concurrent brokered private placement to raise approximately Cdn\$65 million in additional funds by the issuance of subscription receipts of a special purpose entity to be established in order to facilitate the Transaction on behalf of ADF (the “**Financing**”). The Financing will be offered to persons who qualify as “accredited investors” or who similarly qualify in the jurisdiction in which they reside to purchase subscription receipts on a prospectus-exempt basis.
- The Corporation will have obtained all necessary approvals, consents and acceptances, including all necessary approvals from the applicable securities regulatory authorities.
- The parties will prepare a filing statement or information circular in accordance with the rules of the TSXV, outlining the terms of the Transaction.
- ADF will obtain the requisite securityholder approvals, as applicable, for the Transaction.
- All requisite regulatory approvals relating to the Transaction, including, without limitation, meeting the minimum listing requirements of the TSXV and obtaining TSXV approval.

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For further information regarding the Transaction, please contact:

Gregory Smith

Tel: (587) 356-5625

Email: greg.smith@oakridgefinancial.ca

*Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and, if applicable, pursuant to the requirements of the TSXV, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder and regulatory approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Corporation should be considered highly speculative.*

*This press release is not an offer of securities for sale in the United States. The securities described in this press release have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended) absent registration or an exemption from registration. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction where such offer, solicitation, or sale would be unlawful.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.*

**NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.**

*CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the proposed Transaction; the terms and conditions of the proposed Financing; future developments and the business and operations of the "Resulting Issuer" after the proposed Transaction. 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. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and delay or failure to receive board, shareholder or regulatory approvals. There can be no assurance that the Transaction will proceed and 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. The Corporation and ADF disclaim 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.*