

FORM 51-102F3
Material Change Report

1. Name and Address of Company:

Big Dougie Capital Corp. ("Big Dougie")
900, 903 - 8th Avenue SW
Calgary, AB T2P 0P7

2. Date of Material Change(s):

May 13, 2019.

3. News Release:

A news release was disseminated on May 13, 2019 through the facilities of Accesswire.

4. Summary of Material Change(s):

Big Dougie announced details concerning its proposed arm's length qualifying transaction involving a business combination with LaSanta Botanicals Ltd.

5. Full Description of Material Change:

5.1 Full Description of Material Change

See attached Schedule "A" for further details regarding the news release disseminated.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer Knowledgeable of Material Change:

Al Kroontje, Chief Executive Officer and Director
Email: al@kasten.ca

9. Date of Report:

May 23, 2019

SCHEDULE "A"

BIG DOUGIE CAPITAL CORP. ANNOUNCES PROPOSED QUALIFYING TRANSACTION

Calgary, Alberta - May 13, 2019. Big Dougie Capital Corp. ("**Big Dougie**") (TSX Venture: STUV.P) is pleased to announce details concerning its proposed arm's length qualifying transaction involving a business combination with LaSanta Botanicals Ltd. ("**LaSanta**"), a private company incorporated under the laws of Alberta on August 10, 2017.

Overview of LaSanta

LaSanta has offices in Calgary and Bogota and its primary commercial operations are based in Colombia, where LaSanta's wholly owned subsidiary is licensed to cultivate psychoactive and non-psychoactive cannabis, manufacture and export cannabis extracts, and produce and sell cannabis genetics. LaSanta was formed in 2017 to capitalize on Colombia's ideal growing climate and strong agricultural and scientific expertise to produce low cost, premium-quality medical cannabis products for sale in Colombia and global markets. LaSanta's experienced team believes it has established the foundation to create long-term value in the global cannabis industry.

LaSanta has more than 2.1 million square feet of land licensed for cannabis cultivation, including a 1.3 million square foot farm in Sutamarchan purchased in 2018, 160 kilometres north of the capital city of Bogota, and 800,000 square feet in Cajica. The Sutamarchan farm was formerly used for organic tomato cultivation and is situated in an ideal micro climate for year-round indoor and outdoor cannabis production, with optimal solar radiation, ample water and ideal relative humidity. LaSanta leases the 800,000 square feet in Cajica.

LaSanta has approximately 50,000 square feet of greenhouse in operation in Sutamarchan and Cajica, and a further 190,000 square feet under construction in Sutamarchan. The initial phase of operation, with total greenhouse space totalling 240,000 square feet, is expected to have the ability to produce approximately 36,000 kilograms of dried cannabis flower annually when fully operational in 2020, at an estimated cost of less than CAD\$0.10 per gram. LaSanta is building a state-of-the-art extraction facility, designed for EU GMP certification, and recently took possession of a new BPE certified laboratory for producing finished products. LaSanta has a world-class genetics bank, with over 125 strains, and harvested its first crop of plants for seed characterization earlier this year. LaSanta has applied for characterization of 20 strains to date and expects to harvest and sell its first commercial crop in the second half of 2019.

LaSanta's strategy is to leverage research and distribution partnerships to establish a leading position in the global cannabis industry. LaSanta has executed letters-of-intent with potential take-a-way partners and is working towards definitive supply agreements with a number of buyers in Colombia, Canada, Australia and Europe. LaSanta has also secured exclusive research and product development agreements with leading brands and top medical institutions in Colombia and North America, with the goal of delivering scientifically-proven products to market.

Summary of the Proposed Transaction

Big Dougie has entered into a non-binding Letter of Intent with LaSanta dated May 6, 2019 (the "**LOI**") pursuant to which Big Dougie and LaSanta intend to complete a business combination (the "**Transaction**") with the ongoing public company (the "**Resulting Issuer**") being called "LaSanta Botanicals Inc." Pursuant to the proposed Transaction, (i) the issued and outstanding common shares of LaSanta (the "**LaSanta Common Shares**") will be exchanged for common shares of the Resulting Issuer (the "**Resulting Issuer Common Shares**") on a one for one basis; and (ii) the outstanding options to acquire LaSanta Common

Shares ("**LaSanta Options**"), share purchase warrants to acquire LaSanta Common Shares ("**LaSanta Share Purchase Warrants**"), and agent's warrants to acquire LaSanta Common Shares ("**La Santa Agent's Warrants**") will be exchanged for replacement options, share purchase warrants and agent's warrants issued by the Resulting Issuer on a one for one basis. There are currently issued and outstanding, 38,931,704 LaSanta Common Shares, 4,075,000 LaSanta Options, 15,382,514 LaSanta Share Purchase Warrants and 423,642 LaSanta Agent's Warrants. In connection with the Transaction, it is expected that the issued and outstanding common shares of Big Dougie (the "**Big Dougie Common Shares**") will be consolidated (the "**Consolidation**") on a ratio equal to the Financing Strike Price (as defined below) divided by \$0.12 per Big Dougie Common Share (the "**Big Dougie Rollback Ratio**") and that the outstanding stock options to purchase Big Dougie Common Shares ("**Big Dougie Options**") and agents' option to purchase Big Dougie Common Shares ("**Big Dougie Agent's Options**") will be adjusted on an equivalent economic basis. There are currently issued and outstanding 12,000,000 Big Dougie Common Shares, 1,200,000 Big Dougie Options and 200,000 Big Dougie Agent's Options. The deemed value of the LaSanta Common Shares and the Big Dougie Rollback Ratio will be disseminated in a press release when the Financing Strike Price is determined.

It is intended that the Transaction, when completed, will constitute Big Dougie's "Qualifying Transaction" in accordance with Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"). A more comprehensive news release will be issued by Big Dougie disclosing details of the Transaction, including financial information respecting LaSanta, the names and backgrounds of all persons who will constitute insiders of the Resulting Issuer, and information respecting sponsorship, once an agreement has been finalized and certain conditions have been met, including:

- i) approval of the Transaction by Big Dougie's Board of Directors;
- ii) satisfactory completion of due diligence; and
- iii) execution of the definitive agreement.

Shareholder approval is not required with respect to the Transaction under the rules of the Exchange because the Transaction does not constitute a Non-Arm's Length Qualifying Transaction. However, the structure of the Transaction has not yet been finalized so shareholder approval under corporate law may be required. Trading in the common shares of Big Dougie has been halted and is not expected to resume trading until the Transaction is completed or until the Exchange receives the requisite documentation to resume trading.

Summary of the Proposed Private Placement

Pursuant to the LOI, the parties have agreed to use their "commercially reasonable efforts" to cause LaSanta to complete a private placement (the "**LaSanta Private Placement**") of LaSanta Common Shares or subscription receipts exercisable into LaSanta Common Shares (the "**Subscription Receipts**"). It is intended that the minimum gross proceeds of the LaSanta Private Placement will be for \$5,000,000 up to a maximum of \$10,000,000. An agent will be retained in respect of the LaSanta Private Placement and the pricing for the LaSanta Common Shares or Subscription Receipts will be determined in consultation with the agent (the "**Financing Strike Price**"). The LaSanta Private Placement may include warrants exercisable into LaSanta Common Shares. The agent is expected to be paid a cash commission and be granted broker warrants in connection with LaSanta Private Placement. Further particulars of the LaSanta Private Placement will be disseminated in a press release to be issued upon finalization of terms with an agent.

Forward Looking Information

Statements in this press release regarding Big Dougie's business, which are not historical facts, are "forward-looking statements" that involve risks and uncertainties, such as the terms and conditions of the proposed Transaction, the LaSanta Private Placement and the Consolidation as well as the business of

LaSanta such as annual dried cannabis flower production expectations, expected costs per gram, construction of an extraction facility, timing of sale and harvest of its first commercial crop, and execution of supply agreements. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements, include but are not limited to: estimates regarding flower bench size, yield per square foot and harvest per annum, the ability to obtain or maintain necessary licenses and permits for the extraction facility, future legislative and regulatory developments involving cannabis; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the labour market generally and the ability to access, hire and retain employees; general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board or regulatory approvals, as applicable. 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 the forward-looking statements and information contained in this news release. Except as required by law, neither Big Dougie nor LaSanta assume any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Completion of the Transaction, the LaSanta Private Placement and the Consolidation are subject to a number of conditions, including but not limited to, execution of binding definitive agreements relating to the Transaction and the LaSanta Private Placement and satisfaction of conditions precedents thereof (including but not limited to receiving all required shareholder, regulatory and other approvals), Exchange acceptance and if applicable pursuant to Exchange requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder 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 a capital pool company should be considered highly speculative.

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.

For further information, please contact:

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Neither 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 news release.