CUBICFARM SYSTEMS CORP.

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

CubicFarm Systems Corp. (“**CubicFarm**” or the “**Company**”)
353 – 19951 80A Avenue
Langley, BC V2Y 0E2

Item 2. Date of Material Change

May 23, 2024

Item 3. News Release

A news release was disseminated via NewsFile and filed on SEDAR+ on May 23, 2024.

Item 4. Summary of Material Change

On May 23, 2024 the Company announced a non-brokered private placement (the “**Private Placement**”) of units (the “**Units**”) of the Company.

Item 5. Full Description of Material Change

On May 23, 2024 the Company announced a non-brokered Private Placement of Units of the Company.

Further to the Company's price reservation form dated April 2, 2024, and the Company’s notice letter dated April 3, 2024, the TSX Venture Exchange conditionally accepted the Company's proposed private placement of up to 5,000,000 Units of the Company. Each Unit consists of one common share of the Company (a "**Common Share**") and one-half of one common share purchase warrant (the "**Warrants**"). Each Warrant will entitle the holder thereof to acquire one Common Share of the Company at an exercise price of C$0.25 (the "**Exercise Price**") per Common Share for a period of 24 months from the date of issuance.

On May 23, 2024, pursuant to the Private Placement, the Company issued 2,875,000 Units at a price of C$0.20 (the "**Offering Price**") per Unit for gross proceeds of C$575,000. The Company intends to use the proceeds of the Private Placement for general working capital.

The securities offered in the Private Placement are subject to a four month and a day transfer restriction from the date of issuance expiring on September 24, 2024, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

Pursuant to the Private Placement, John de Jonge (the “**Investor**”) is an insider of the Company by virtue of being the interim Chief Executive Officer of the Company. The Investor participated in the Private Placement by purchasing 500,000 Units and, accordingly, this purchase constitutes a related party transaction as defined under Multilateral Instrument 61-101 – Protection of

Minority Securityholders in Special Transactions ("**MI 61-101**"). The Company is exempt from the formal valuation and minority approval requirement under MI 61-101 as the fair market value of the insider's participation in the Private Placement does not exceed more than 25% of the market capitalization of the Company, as set forth in Sections 5.5(a) and 5.7(1)(a) of MI 61-101. The Company has not filed a material change report more than twenty-one (21) days before the closing date of the Private Placement, as the details of the Private Placement were not finalized until May 23, 2024, and the Company wished to close the Private Placement as soon as practicable.

Completion of the Private Placement remains subject to the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange.

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 report.

Forward looking and other cautionary statements

Certain statements in this report constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws, including, without limitation, statements with respect to the use of funds of the Private Placement and the receipt of regulatory approvals. Such statements involve known and unknown risks, uncertainties, and other factors and assumptions which may cause the actual results, performance, or achievements of CubicFarm Systems Corp., or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements or information, including, without limitation, risks related to the ability and time frame within which the Company will execute and implement the Consolidation, the Company's ability to raise additional funding, the Company's ongoing or future litigation, the Company's ability to establish, maintain and defend intellectual property rights in the Company's products, product liability claims, insurance and recalls, the Company's manufacturing operations, the manufacturing capacity of third-party manufacturers for the Company's products, including risks of supply interruptions impacting the Company's ability to manufacture its own products and the other factors disclosed under "Risk Factors" in the Company's annual information form for the year ended December 31, 2022, and those risks described in other documents incorporated or deemed to be incorporated by reference in the prospectus. Such statements can be identified by the use of words such as "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict", and other similar terminology, or state that certain actions, events, or results "may", "can", "could", "would", "might", or "will" be taken, occur, or be achieved.

These statements reflect the Company's current expectations regarding future events, performance, and results and speak only as of the date of this report. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Except as required by securities disclosure laws and regulations applicable to the Company, the Company undertakes no obligation to update these forward-looking statements if the Company's expectations regarding future events, performance, or results change.

Item 5. Omitted Information

Not applicable.

Item 6. Executive Officer

Name of Executive Officer:	John Hendrick de Jonge Interim Chief Executive Officer
Telephone number:	(888) 280-9076

Item 7. Date of Report

June 4, 2024