

FORM 51-102F3

MATERIAL CHANGE REPORT

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

Dixie Brands Inc. (the "Company")
3400 First Canadian Place
Toronto, Ontario
M5X 1B4

2. **Date of Material Change:**

March 14, 2019.

3. **News Release:**

The news release was disseminated on March 14, 2019 via Newswire and subsequently filed on SEDAR.

4. **Summary of Material Change:**

The Company announced on March 14, 2019 that it entered into a joint venture agreement (the "Agreement") with Khiron Life Sciences Corp. ("Khiron"). Under the Agreement, each of the Company and Khiron will be 50% owners of Dixie Khiron JV Corp. ("Dixie-Khiron"), an entity which will manufacture and distribute cannabis-infused products in the Latin America market. The Company will license its intellectual property, including the trademarks of its brand portfolio and the proprietary recipes, processes and production methods to Dixie-Khiron. Khiron will be responsible for the day-to-day operations of Dixie-Khiron, including the supply of cannabis ingredients, and the manufacture of the Company's branded products. The Company will also manufacture and distribute Khiron's Kuida® brand of cannabidiol (CBD)-based cosmeceuticals in the United States

5. **5.1 – Full Description of Material Change:**

See the news release dated March 14, 2019.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

7. **Omitted Information:**

No significant facts remain confidential in, and no information has been omitted from, this report.

8. **Executive Officer:**

For further information, please contact C.J. Chapman, General Counsel, at (720) 224-6936.

9. **Date of Report:**

March 22, 2019.