

**Form 51-102F3**  
**Material Change Report**

**Item 1            Name and Address of Company**

Tidal Royalty Corp.  
810-789 West Pender Street  
Vancouver, B.C. V6C 1H2  
(the “**Company**”)

**Item 2            Date of Material Change**

August 31, 2018

**Item 3            News Release**

A news release was disseminated on September 4, 2018 through Newsfile Corp.

**Item 4            Summary of Material Change**

The Company announced it had signed a definitive agreement with Diem Cannabis (“Diem”) to finance Diem’s expansion into Massachusetts. Pursuant to the agreement, the Company will provide Diem up to US \$12.5MM over the next three years to develop and operate a large-scale cultivation and processing facility and up to four dispensaries in Massachusetts.

**Item 5            Full Description of Material Change**

**5.1      Full Description of Material Change**

The Company announced that it had signed a definitive agreement with Diem to finance Diem’s expansion into Massachusetts.

Diem is an experienced licensed operator in the highly-competitive Oregon market. The company, founded by executives with Silicon Valley and Wall Street experience, has cultivation, retail and home delivery operations in Salem and Portland. Diem is known for its unique retail experiences that create safe, inviting environments for new and experienced consumers. Leafly, the largest cannabis website in the world, ranks Diem’s Salem retail location as one of the top dispensaries in Oregon, calling the store “downright beautiful” and “Instagram-worthy”.

Pursuant to the agreement, the Company will provide Diem up to US \$12.5MM over the next three years to develop and operate a large-scale cultivation and processing facility and up to four dispensaries in Massachusetts. The Massachusetts adult-use marijuana market has the potential to be one of the most prosperous in the nation, according to Marijuana Business Daily.

Diem is actively exploring opportunities in Massachusetts, having built out its development team in-state, and has already secured a number of locations in anticipation of applying for operating licenses. The company plans further expansion in additional states, and the parties are exploring opportunities to work together on such plans.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Terry Taouss, President

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**Item 9 Date of Report**

September 7, 2018