

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

February 25, 2019

Item 3 News Release

A news release was disseminated on February 25, 2019 through Newsfile Corp.

Item 4 Summary of Material Change

The Company announced it had completed an advance of C\$15,000,000 to MichiCann Medical Inc. (operating as Red White & Bloom) pursuant to a senior secured convertible debenture. In addition, the Company announced that Mr. Paul Rosen had tendered his resignation as Chairman and director of the Company’s board of directors.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that, further to its press release of February 14, 2019, the Company had completed an advance of C\$15,000,000 to MichiCann Medical Inc. (operating as Red White & Bloom) (“MichiCann”) pursuant to a senior secured convertible debenture (the “MichiCann Debenture”). The MichiCann Debenture is non-interest bearing, other than in the event of a default by MichiCann thereunder, and will mature August 25, 2019 (the “Maturity Date”), with the Maturity Date being extendable in certain circumstances.

The obligations under the MichiCann Debenture are secured by way of a first ranking security against the personal property of MichiCann. In the event that the proposed acquisition by the Company of all of the issued and outstanding shares of MichiCann (the “Proposed Transaction”) is not completed by the Maturity Date as result of, among other things, MichiCann’s failure to comply with the definitive documentation for the Proposed Transaction, and MichiCann is at such time pursuing an alternative go public transaction or a change of control transaction (an “Alternate Liquidity Transaction”), the Company may elect to convert, in whole or in part, the outstanding amount under the MichiCann Debenture into common shares of MichiCann (“MichiCann Shares”) at a price per MichiCann Share that is the lesser of (i) \$2.50 per MichiCann Share, and (ii) a 20% discount to the issue or effective price per MichiCann Share under the Alternate Liquidity Transaction.

In the event that the Proposed Transaction is not capable of being completed by October 25, 2019 for reasons beyond the control of the parties, acting in good faith, MichiCann may elect to prepay the outstanding amount under the MichiCann Debenture, with a prepayment penalty of 10%.

In addition, the Company announced that Mr. Paul Rosen had tendered his resignation as Chairman and director of the Company's board of directors.

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

Theo van der Linde, Chief Financial Officer
Phone: 604-687-2038

Item 9 Date of Report

March 4, 2019