

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Red White & Bloom Brands Inc. (the “**Company**” or “**RWB**”)
810-789 West Pender Street
Vancouver, B.C. V6C 1H2

Item 2 Date of Material Change

September 24, 2020

Item 3 News Release

The news release disclosing the material change was disseminated on September 24, 2020 through the facilities of GlobeNewswire.

Item 4 Summary of Material Change

On September 24, 2020, the Company closed a bought deal offering of 33,350,000 units (“**Units**”) of the Company at a price of \$0.75 per Unit for aggregate gross proceeds of \$25,012,500 (the “**Offering**”), which includes the full exercise of the over-allotment option. Each Unit consists of one common share in the capital of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$1.00, for a period of 24 months following the closing of the Offering. The Warrants issued in connection with the Offering commenced trading on the Canadian Securities Exchange (the “**CSE**”) on September 24, 2020 under the symbol “**RWB.WT**”.

The Company also announced that the convertible debenture issued to an arm’s length investor as detailed in the Company’s press release dated September 14, 2020 was repaid and surrendered for cancellation.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On September 24, 2020, the Company announced that it closed its previously announced bought deal offering for a total issuance of 33,350,000 Units of the Company at a price of \$0.75 per Unit for aggregate gross proceeds of \$25,012,500, which includes the full exercise of the over-allotment option. The Offering was co-led by PI Financial Corp. and Eight Capital on behalf of a syndicate of underwriters including Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (together, the “**Underwriters**”).

Each Unit consists of one Common Share and one Warrant. Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$1.00, for a period of 24 months following the closing of the Offering. If, at any time prior to the expiry date of the Warrants, the volume-weighted average price of the Common Shares on the CSE (or such other stock exchange where the majority of the trading volume occurs) exceeds \$1.50 for 10 consecutive trading days, the Company may provide written notice to the holders of the Warrants by way of a news release advising that the Warrants will expire at 5:00 p.m. (Vancouver time) on the 30th day following the date of such notice unless exercised by the holders prior to such date.

The Company paid the Underwriters a cash fee of 6% of the aggregate gross proceeds, and an aggregate of 2,001,000 non-transferable compensation warrants, with each compensation warrant being exercisable into Units at a price of \$0.75 for a period of 24 months following the closing of the Offering.

The Company intends to use the net proceeds of the Offering to finance acquisition and investment activity, ongoing operations, expansion of the Company's executive team, ongoing regulatory matters, inventory, ongoing capital expenditures and general corporate purposes.

In connection with the Offering, the Company listed the Warrants on the CSE under the symbol "**RWB.WT**".

Brad Rogers, the Chief Executive Officer of the Company, purchased 866,666 Units in the Offering and, as such, the issuance of the Units to Mr. Rogers is a "related-party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). However, the issuance is exempt from: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(a), as the fair market value of the Units does not exceed 25% of the Company's market capitalization, and (ii) from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the Units does not exceed 25% of the Company's market capitalization. A material change report was not filed by the Company 21 days before the closing of the Offering as the level of insider participation was not known at that time and the Company moved to close the Offering immediately upon satisfaction of all applicable closing conditions. In the view of the Company, this was reasonable in the circumstances because the Company wished to complete the Offering as soon as possible.

Following closing of the Offering, the convertible debenture issued to an arm's length investor as detailed in the Company's press release dated September 14, 2020 was repaid and surrendered for cancellation.

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 & Director
Phone: 604-687-2038

Item 9 Date of Report

September 30, 2020