

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

October 31, 2021 and November 7, 2023

Item 3 News Release

A news release issued by the Company with respect to the material change referred to in this Material Change Report was disseminated via Globe Newswire and filed on SEDAR on October 31, 2023 and November 7, 2023.

Item 4 Summary of Material Change

The Company announced that the Ontario Superior Court granted an order approving the previously announced stalking horse asset purchase and share subscription agreement.

The Company also announced that the board of directors has approved the issuance of 700,000 common shares as final consideration for an asset purchase which were issued on November 7, 2023.

Item 5 Full Description of Material Change

On October 31, 2023, the Company announced that in connection with the proceedings of Aleafia Health and certain of its subsidiaries (collectively, the “**Aleafia Group**”) under the *Companies’ Creditors Arrangement Act* (the “**Aleafia CCAA Proceedings**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) has granted an approval and reverse vesting order in respect of the previously announced sale transactions (the “**Approval and Vesting Order**”).

The Approval and Vesting Order is the sole authorization required by the Aleafia Group to implement the transactions provided for under the previously announced stalking horse asset purchase and share subscription agreement, as amended and restated on October 24, 2023 (the “**Amended Stalking Horse Agreement**”) among RWB, Aleafia Health and certain of Aleafia Health’s subsidiaries (collectively, the “**Aleafia Purchased Entities**”).

The Approval and Vesting Order approves the implementation of the transactions contemplated by the Amended Stalking Horse Agreement, whereby a wholly-owned subsidiary of RWB would subscribe for shares of the Aleafia Purchased Entities and acquire specific intellectual property owned, licensed or leased by Aleafia Health. Certain excluded assets and liabilities of the Aleafia Purchased Entities would be transferred to one or more corporations that would not be included among the Aleafia Purchased Entities at closing. RWB’s subsidiary would be the sole shareholder of the Aleafia Purchased Entities following closing.

The Court also granted an ancillary relief order approving, among other things, (i) amendments to the debtor-in-possession (“**DIP**”) term sheet to increase the DIP financing available to the Aleafia Group from \$6.6 million to \$8 million; and (ii) an

extension to the current stay period in the Aleafia CCAA Proceedings to November 30, 2023, in order to, among other things, permit the parties to complete the transactions contemplated under the Amended Stalking Horse Agreement.

The consummation of the transactions contemplated under the Amended Stalking Horse Agreement is subject to satisfaction or waiver of certain conditions set forth in the Amended Stalking Horse Agreement, including, among other things, receipt of all required regulatory approvals and the Aleafia Purchased Entities' Health Canada and cannabis excise licences being in good standing and continuing in good standing and not suspended or terminated following the closing date.

The parties anticipate closing the transactions contemplated under the Amended Stalking Horse Agreement following satisfaction of the remaining conditions to closing, and in any event no later than November 22, 2023 (the outside date specified in the Amended Stalking Horse Agreement).

The Company announced that its board of directors has approved the issuance of 700,000 common shares on October 30, 2023, at a deemed price of \$0.06 per share, as final consideration for an asset purchase completed by a wholly-owned subsidiary of the Company (the "**Asset Purchase**"). On November 7, 2023, the Company closed the Asset Purchase. The securities issued pursuant to the Asset Purchase are subject to a statutory hold period which will expire on March 8, 2024. None of the securities issued in connection with the Asset Purchase will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), and none of them will be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

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

This report is not being filed on a confidential basis.

Item 7 Omitted Information

No information has been omitted in respect of the material change.

Item 8 **Executive Officer**

The following executive officer of the Company is knowledgeable about the material change disclosed in this report:

Edoardo Mattei
Chief Financial Officer
Telephone: 947-225-0503, x 1003

Item 9 **Date of Report**

November 7, 2023