

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

World Class Extractions Inc. (“**World-Class**” or the “**Company**”)
9080 University Crescent, Suite 308,
Vancouver, British Columbia, V5A 0B7

2. Date of Material Change

July 28, 2020.

3. News Release

A news release in connection with the material change was disseminated on July 29, 2020 and filed under the Company’s profile on SEDAR.

4. Summary of Material Change

World-Class announces that a company in which World-Class holds a 50% equity interest, Cobra Ventures Inc. (“**Cobra**”), has entered into an agreement to acquire a senior secured convertible debenture of HydrX Farms Ltd. o/a Scientus Pharma (“**HydRx**”) in the principal amount of CDN\$11,500,000, plus accrued and unpaid interest and charges (the “**Debenture**”) from a leading Canadian Licensed Producer, subject to certain closing conditions. Cobra is purchasing the Debenture for CDN\$5,000,000; closing is expected to occur within 60 days. The Debenture is secured against the assets of HydrX. HydrX is currently in default of its obligations under the Debenture.

5. Full Description of Material Change

5.1 Full Description of Material Change

Cobra, a company in which World-Class holds a 50% equity interest, has entered into an agreement to acquire a senior secured convertible debenture of HydrX in the principal amount of CDN\$11,500,000, plus accrued and unpaid interest and charges (the Debenture) from a leading Canadian Licensed Producer, subject to certain closing conditions. Cobra is purchasing the Debenture for CDN\$5,000,000; closing is expected to occur within 60 days. The Debenture is secured against the assets of HydrX. HydrX is currently in default of its obligations under the Debenture.

First Republic Holdings Corporation (“**FRHC**”) holds a 50% equity interest in Cobra. FRHC is the investment holding company of Mr. Richard Goldstein and his family. FRHC is a shareholder of First Republic Capital Corporation (“**FRCC**”). FRCC is not involved in the acquisition of the Debenture.

HydRx owns and operates a 45,000-square foot manufacturing and distribution facility in Whitby, Ontario built to GMP and GPP standards. HydrX holds numerous licenses issued by Health Canada under the Cannabis Act to cultivate, produce and sell cannabis

products, including the extraction of cannabis resin for use in formulations including cannabinoid based oils, capsules and other derivative products. HydRx also holds a Cannabis Drug License and is a Licensed Dealer under the Narcotics Control Act. HydRx is one of a limited number of Canadian licensees authorized to conduct R&D and fully handle cannabinoid products with the ability to wholesale, buy, process and sell cannabinoid derivatives, from and to other producers licensed under the Cannabis Act, as well as to international markets.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not applicable. This report is not being filed on a confidential basis.

7. Omitted Information

There is no information of a material nature that has been omitted from this report.

8. Executive Officer

The following executive officer of World-Class is is knowledgeable of the material change and this report:

Rosy Mondin, Chief Executive Officer
Tel: 604 346-8118

9. Date of Report

July 29, 2020