

FORM 51-102F3
Material Change Report

1. Name and Address of Company:

Top Strike Resources Corp. (“**Top Strike**”) or (the “**Company**”)
2915 Park Lane S.W.
Calgary, AB T2S 2L6

2. Date of Material Change(s): July 3, 2018

3. News Release: Press release relating to the material change described herein was issued on July 3, 2018 and disseminated through the facilities of a recognized newswire service.

4. Summary of Material Change(s):

On July 3, 2018, Top Strike announced, among other things: (i) a non-brokered private placement of between \$5.0 and \$25.0 million, provided that the Company shall be entitled to increase the size of the private placement to \$30.0 million as a result of excess demand (the “**Private Placement**”); (ii) the appointment of a new management team (the “**New Management Team**”) and new board of directors (the “**New Board**”) in connection with the Private Placement (collectively, the “**Transaction**”); and (iii) subject to regulatory approval, a rights offering (the “**Rights Offering**”) to holders of common shares (“**Common Shares**”) of Top Strike.

5. Full Description of Material Change:

5.1 Full Description of Material Change

Pursuant to the Private Placement, Venexo Capital Inc. (“**Venexo**”), together with additional subscribers on a non-brokered basis, will subscribe for units (“**Units**”) of Top Strike for aggregate gross proceeds of between \$5.0 and \$25.0 million at a price of \$0.06 per Unit, provided that the Company shall be entitled to increase the size of the private placement to \$30.0 million as a result of excess demand.

Each Unit shall be comprised of one Common Share and one-half of one Common Share purchase warrant (a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.09 per Common Share for a period of three years from the date of issuance of the Warrant. After one year from the date of issuance of the Warrants, the Company may accelerate the expiry date of the Warrants provided that the average trading price of the Common Shares is equal to or exceeds \$0.14 for any consecutive 20-day trading period following the first anniversary date of issuance of the Warrants.

In addition to the Private Placement, the New Management Team, together with additional subscribers identified by the New Management Team, will subscribe for units (“**Insider Units**”) of Top Strike for aggregate gross proceeds of up to \$1.5 million at a price of \$0.05 per Insider Unit (the “**Insider Private Placement**”).

Each Insider Unit shall be comprised of one Common Share and one Common Share purchase warrant (an “**Insider Warrant**”). Each Insider Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.06 per Common Share for a period of five years from the date of issuance, provided that if the Common Shares are either: (i) listed on the facilities of a stock exchange other than the Canadian Securities Exchange (the “**CSE**”); or (ii) acquired for cash or for the securities of a public company not listed on the facilities of the CSE, then each Insider Warrant shall be exercisable for two Common Shares at a price of \$0.06 per Common Share.

The completion of the Private Placement is expected to occur on or about August 1, 2018 and may be completed in one or more tranches (the “**Closing**”). Proceeds from the Private Placement and Insider Private Placement will be used to make investments in strategic cannabis investment opportunities and for general corporate purposes. Venexo, or its nominee, along with the New Management Team and the New Board will be participating in the Private Placement for a minimum of \$1.0 million and shall be subscribing for up to \$1.5 million in the Insider Private Placement. The Transaction will not result in the creation of a new control person.

Upon completion of the Private Placement, the Company will grant stock options to the New Management Team, the New Board and employees of the Company in an aggregate amount equal to 8.0% of the issued and outstanding Common Shares. The options will be exercisable at a price of \$0.06 per Common Share.

The New Management Team will be led by David McGorman as Chief Executive Officer & Director, Jon Sharun as Executive Director, Jason Ewasuik as Vice President, Originations and Mike Tanasichuck as Chief Financial Officer. Sony Gill, a partner in the Business Law Group in the Calgary office of the national law firm McCarthy Tétrault LLP, will act as Corporate Secretary.

At Closing, the New Board will be comprised of David McGorman, Jon Sharun, Matt Christopherson, Alan Gertner, Dr. Inbar Maymon-Pomeranchick and W. Scott McGregor. The resignation of the current board of directors and management team of Top Strike and the appointment of the New Management Team and the New Board will occur contemporaneous with the Closing.

The Transaction will see the Company transition from a resource company to a company carrying on business in the cannabis sector. Top Strike expects to execute on an international cannabis-focused investment strategy with an emphasis on state compliant opportunities in the United States through the development and management of a diversified portfolio of predominantly early stage cannabis investment opportunities. The recapitalized corporate structure will allow Top Strike to explore and invest in a number of strategic global opportunities in the medical and recreational cannabis industry including ancillary products and services.

Completion of the Transaction is subject to the delisting of the Common Shares from the NEX board (the “**NEX**”) of the TSX Venture Exchange and the concurrent listing of the Common Shares on the facilities of the CSE and customary closing conditions, including the approval of the NEX to delist and the satisfaction of the initial listing requirements of the CSE. The Transaction will constitute an arm’s length transaction.

Upon completion of the Transaction, taking into account transaction and financing costs, the recapitalized Top Strike is expected to have a net cash position of approximately \$24 million, assuming the Private Placement, Insider Private Placement and Rights Offering (as defined below) are each fully subscribed, providing the New Management Team a platform to aggressively grow the business through strategic investments in the cannabis market.

Upon completion of the Transaction and subject to all regulatory and shareholder approvals, it is anticipated that the New Management Team will change the name of the Company from “Top Strike Resources Corp.” to “Vencanna Holdings Inc.”.

Upon completion of the Private Placement, Top Strike shareholders will be entitled to participate in the Rights Offering, which is expected to be conducted by way of a Rights Offering Circular. Pursuant to the Rights Offering, each shareholder as of the record date for such offering (the “**Record Date**”) will be issued one right (“**Right**”) for each Common Share held on the Record Date, entitling that holder to purchase one Common Share for every four Rights held at a price of \$0.06 per Common Share at or before the expiry time of the Rights

Offering, following which all outstanding Rights shall terminate and expire. Subscribers of Common Shares under the Private Placement and the Insider Private Placement will waive their right to participate in the Rights Offering with respect to any securities acquired pursuant to the Private Placement or the Insider Private Placement, as applicable. The Rights Offering is subject to applicable regulatory approval, including the CSE.

The Company has 16,431,428 Common Shares, 900,000 options, and no other dilutive securities outstanding. The Company currently has a working capital balance of less than \$100,000 and no debt. Upon completion of the Insider Private Placement and the Private Placement, and assuming the exercise of all Rights issued in connection with the Rights Offering, Top Strike will have approximately 457.2 million Common Shares and approximately 732.6 million Common Shares outstanding on a fully diluted basis.

Forward-Looking and Cautionary Statements

This material change report may include forward-looking statements including opinions, assumptions, estimates, the New Management Team's assessment of future plans and operations, and, more particularly, statements concerning the delisting from the NEX and the listing on the CSE, the Transaction, the Rights Offering and the Insider Private Placement, the number of securities issued by way of the Private Placement and Insider Private Placement, the business plan of the New Management Team, the change of name of the Company, use of proceeds, net cash position and debt levels following completion of the Transaction. When used in this document, the words "will," "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "should," and similar expressions are intended to be among the statements that identify forward-looking statements. The forward-looking statements are founded on the basis of expectations and assumptions made by Top Strike which include, but are not limited to, the timing of the receipt of shareholder, regulatory and third party approvals, the future operations of, and transactions completed by Top Strike as well as the satisfaction of other conditions pertaining to the completion of the Transaction. Forward-looking statements are subject to a wide range of risks and uncertainties, and although Top Strike believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to, shareholder, regulatory and third party approvals not being obtained, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, changes in general market conditions and other factors more fully described from time to time in the reports and filings made by Top Strike with securities regulatory authorities. Except as required by applicable laws, neither Top Strike nor the New Management Team undertake any obligation to publicly update or revise any forward-looking statements.

Completion of the Transaction and the Rights Offering is subject to a number of conditions, including but not limited to, CSE approval. There can be no assurance that the Transaction or the Rights Offering will be completed as proposed or at all. Trading in the securities of Top Strike should be considered highly speculative.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 Continuous Disclosure Obligations:

Not Applicable

7. Omitted Information:

Not Applicable

8. Executive Officer Knowledgeable of Material Change:

Dale Styner
President and Chief Executive Officer
Telephone: (403) 908-0950

9. Date of Report: July 12, 2018