

FORM 51-102F3

Material Change Report

Item 1. Name and Address of Company

Blackhawk Growth Corp. (the “Company”)
Suite 2200, 885 West Georgia Street
Vancouver, B.C., V6C 3E8

Item 2. Date of Material Change

News Release dated April 6, 2022

Item 3. News Release

The Company disseminated a news release concerning the material change described herein on April 6, 2022 and subsequently filed a copy on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

Blackhawk Growth to acquire mycology supplier and cultivator – Blum Distributors.

Item 5. Full Description of Material Change

Vancouver, British Columbia – April 6, 2022 – Blackhawk Growth Corp. (CSE:BLR; Frankfurt:0JJ) (the “**Company**” or “**Blackhawk**”) is pleased to announce that the Company has entered into a share purchase agreement, dated effective April 5, 2022, pursuant to which it proposes to acquire all of the outstanding share capital of Blum Distributors Ltd. (“**Blum**”).

Blum is an established mycology supplier with its own leased production facility. Blum’s operations are systemically rooted in biodiversity. They wholly-own the value chain from cultivation through to their product sales, reaching both commercial and retail partners. Their sustainability pledge is embodied in their commitment to support their partners in their own mycological journeys. Blum’s in-house product cultivation, distribution, and sales center provides them with an advantage over their competitors by reducing intermediaries. Blum fully controls the quality and purity of their products throughout the value chain, from cultivation to consumer sales. They are committed to providing the utmost highest quality supplies and solutions to empower both commercial and home scale growers in their mycological journey.

Blum has been in operations in its current form for over 18 months and has historically generated approximately \$50,000 in gross revenue per month over 2021. The revenue base has grown in 2022, with the addition of two agreements. The first contract has Blum providing a white label solution for an arm's length company for Applied Myco. The contract guarantees for a minimum order of 500 bags per month during its Phase 1 trial and is expected to increase to up to 2,000 bags per month in Phase 2 and 3 over the next 12

months. The guaranteed minimum order will generate approximately \$12,500 per month in gross revenue, and is expected to increase to in excess of \$50,000 per month in revenue. Gross margin on the products historically has been approximately 50% and this margin is expected to continue.

The next recent sale, which is expected to start delivery in April, will see Blum expand its cultivation through a 14,000 sq ft commercial project which is guaranteed to begin with an order for 5,000 bags per month, which is expected to create gross revenue of approximately \$125,000 per month. When the cultivation centre renovations are completed, the contract has production increases of 5,000 per cycle to a maximum size of 50,000 bags per month. If the maximum contract deliveries are reached, the order will generate in excess of \$1,000,000 per month in gross revenue for Blum, based on current sales prices.

“Blum’s growth continues to be impressive” said Frederick Pels, CEO of Blackhawk Growth. “The ancillary side of cultivation allows Blackhawk to be involved in the success of the industry as a whole, providing high quality and necessary substrate to the industry. I look forward to working with the team at Blum and updating our shareholders as progress develops.”

“We at Blum Distributors are extremely excited to close this deal and grow both Blum and Blackhawk” says Rico Gutierrez, Founder of Blum. “This opportunity will allow us to further accelerate our on-going demand of production and supplies and will assist us to expand our facility and operate at full capacity to facilitate the fast-growing mycology industry.”

Rico Gutierrez founded Blum and will continue as its CEO. Mr Gutierrez has been involved in the mycology industry for a number of years. Prior to founding Blum, he was a successful entrepreneur and the founder of several companies in various industries. With his experience and skill set, Rico managed to assist numerous companies with mentorship and business development.

Readers are cautioned that the above figures for revenue and margin of Blum are based on information provided by management of Blum and have not been audited or independently verified. Actual figures may differ once an audit has taken place.

Transaction Structure

In consideration for the acquisition of all of the outstanding share capital of Blum, Blackhawk will issue 9,650,000 common shares to the existing shareholders of Blum.

The Company is at arm's length from Blum and its shareholders. The transaction neither constitutes a fundamental change nor a change of business for the company, nor has it expected to result in a change of control of the company within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange. With the acquisition, Blum will form part of the Company's growing portfolio of investments in the life science and health care sectors. Blum’s existing management team will continue to retain responsibility for overseeing day-to-day operations. A fee of 750,000 shares will be paid to an arm’s length party for assistance with the transaction.

For more information regarding Blum visit their website: www.blumdistributors.com

About Blackhawk Growth

Blackhawk is an investment holding company looking to create substantial value for its shareholders through the acquisition and development of high growth companies. It has focused its investments in the health, cannabis and cannabidiol industries in both Canada and the United States. Its portfolio of companies includes Sac Pharma, Terp Wholesale, LeichtMind Clinics, Noble Hemp, Spaced Food, Stable Foods, and MindBio Therapeutics, Digital Mind Therapeutics as well as an equity position in Gaia Grow Corp. (CSE:GAIA).

The Company diligently posts updates through videos from the official company YouTube channel <https://www.youtube.com/channel/UCs4f2tt3yAvOGhNLjgNOy-A>

Please join the conversation on our Blackhawk group supporter's telegram group at <https://t.me/Blackhawkgrowthcorp> and visit us online at <https://www.blackhawkgrowth.com>.

For further information please contact:

Frederick Pels, Chief Executive Officer

(403)-991-7737

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

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

The following senior officer of the Company is knowledgeable about the material change disclosed in this report.

Frederick Pels
Chief Executive Officer
Telephone: 403-991-7737

Item 9. Date of Report

April 6, 2022