

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Affinor Growers Inc. (the “**Company**”)  
8661 201 Street, 2<sup>nd</sup> Floor  
Langley Twp, B.C.  
V2Y 0G9

**Item 2. Date of Material Change**

January 21, 2021

**Item 3. News Release**

A News Release dated January 22, 2021 was disseminated via Globe News Wire and filed on SEDAR on January 22, 2021.

**Item 4. Summary of Material Change**

The Company announced that it has entered into a lease agreement (the “**Lease**”) with Nicholas Brusatore (“**Mr. Brusatore**”) pursuant to which the Company has agreed to lease approximately 27,000 aggregate square feet of rentable area, consisting of a 15,000 square foot greenhouse operation and a 12,000 square foot composting building located in Abbotsford, British Columbia (the “**Premises**”) from Mr. Brusatore (the “**Transaction**”).

**Item 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company announced that it entered into the Lease with Mr. Brusatore to lease the Premises. Pursuant to the terms of the Lease:

- the Company will lease the Premises for an initial term of ten (10) years commencing on March 1, 2021 and ending on February 28, 2031 (the “**Initial Term**”). The Company has the option to renew the Lease for one (1) additional five (5) year term following the Initial Term;
- the Company will be permitted to use the Premises for the planting, growing and harvesting of various fruits and vegetables, and other ancillary uses related to the Company’s business;
- throughout the Initial Term the Company will pay Mr. Brusatore \$81,000 per year to lease the Premises (the “**Rent**”), payable in equal monthly installments on the first day of

each and every month during the Initial Term, subject to the Free Rent Period (as defined below);

- Mr. Brusatore will complete work (the “**Brusatore Work**”) on the Premises, at the Company’s sole expense, including but not limited to: (i) connecting all utilities to the Premises; (ii) installation of a storage cooler; (iii) installation of necessary or required ventilation fans; and (iv) installation of hand wash stations in the Premises;
- the Company will complete work (the “**Company’s Work**”) on the Premises, at its sole expense, including but not limited to: (i) installation of a security alarm system; (ii) installation of cooler racking and germination room racking; (iii) installation of chiller(s); and (iv) installation of water pumps and distribution lines to roller lines; and
- provided that the Company has completed the Company’s Work in accordance with the Lease and there is no active or unresolved dispute with respect thereto, then in consideration of the Company performing the Company’s Work at its sole cost, and paying for the Brusatore Work, Rent payable under the Lease shall not be payable by the Company until such time as the Company has repaid the cost of the Company’s Work and the Brusatore Work from the revenues of the sale of products grown and prepared at the Premises (the “**Free Rent Period**”).

The Transaction constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as Mr. Brusatore is also a director and Chief Executive Officer of the Company. The Transaction is exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) as the fair market value of the Transaction does not exceed 25% of the Company’s market capitalization.

## **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**

None.

**Item 8. Executive Officers**

The following representative of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Nick Brusatore, Chief Executive Officer and Director  
Telephone: 604-356-0411  
Email: [nbrusatore@gmail.com](mailto:nbrusatore@gmail.com)

**Item 9. Date of Report**

DATED at Vancouver, BC, this 22 day of January, 2021.