FORM 51-102F3
MATERIAL CHANGE REPORT

This material change report amends and restates the material change report filed on February 25, 2021 to include additional disclosure required by Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.

ITEM 1 **Name and Address of Company**

Harborside Inc. (the "**Company**")
181 Bay Street, Suite 1800
Toronto, ON
M5J 2T9

ITEM 2 **Date of Material Change**

February 18, 2021

ITEM 3 **News Release**

A news release announcing the material change was disseminated by the Company on February 18, 2021 through CNW, a copy of which is attached as Schedule "A".

ITEM 4 **Summary of Material Change**

On February 18, 2021, the Company announced that it has closed its previously announced upsized brokered private placement of units of the Company at a price of C$2.55 per SVS Unit (as defined below) and C$255.00 per MVS Unit (as defined below) for aggregate gross proceeds of C$35,103,045 (the "**Offering**"). Beacon Securities Limited and ATB Capital Markets acted as co-lead agents in connection with the Offering.

Each unit issued to non-residents of the United States (an **"SVS Unit**") is comprised of one subordinate voting share of the Company (a "**Subordinate Voting Share**") and one Subordinate Voting Share purchase warrant (a "**Warrant**") of the Company. Each Warrant underlying an SVS Unit is exercisable to acquire one Subordinate Voting Share of the Company for a period of 36 months following closing of the Offering at an exercise price of C$3.69 per Subordinate Voting Share, subject to adjustment and acceleration in certain events. A total of 5,806,700 SVS Units were issued pursuant to the Offering.

All investors that are considered residents of the United States under the United States Securities Exchange Act of 1934 were issued units (each, an "**MVS Unit**") comprised of multiple voting shares of the Company (the "Multiple Voting Shares") and Multiple Voting Share purchase warrants of the Company, based on the same economic equivalency of each Multiple Voting Share converting into 100 Subordinate Voting Shares. A total of 79,592 MVS Units were issued pursuant to the Offering.

The Company intends to use the net proceeds from the Offering for general corporate and working capital purposes.

ITEM 5 **Full Description of Material Change**

For a full description of the material change, please see the Company's news release dated February 18, 2021, attached as Schedule "A".

Since certain "related parties" (the "**Related Parties**") of the Company (as defined in Multilateral Instrument 61-101—Protection of Minority Security Holders in Special Transactions ("**MI 61-101**")) participated in the Offering, the Offering is deemed to be a "related party transaction" as defined under MI 61-101. Information in respect of such Related Parties is as follows:

Related Party	Relationship to Issuer	Units Acquired in Private Placement	Post-Acquisition Ownership of the Company (1)
Pierre (Peter) Bilodeau	Interim Chief Executive Officer	58,800 SVS Units	1.50%
Thomas N. DiGiovanni	Chief Financial Officer	307 MVS Units	0.58%
Peter Kampian	Director	39,200 SVS Units	0.58%
Cresco Capital Partners II, LLC (2)	Insider	35,500 MVS Units	12.60%
Andrew Sturner (3)	Director	1,251 MVS Units	1.47%
James Scott (4)	Director	1,600 MVS Units	0.71%

Notes:

(1) Represents the percentage of the Company's voting securities beneficially owned or controlled on a partially diluted basis (assuming the conversion of all MVS into SVS, and the exercise of any options or warrants held by the holder into SVS). Information on the number of securities held has been provided by the insiders.

(2) This entity does business as Entourage Effect Capital and is controlled and directed by Matthew Hawkins, a director of the Company. Both Matthew Hawkins and Andrew Sturner, directors of the Company, are partners at Entourage Effect Capital.

(3) Mr. Sturner participated in the offering through Orange Island Ventures, LLC.

(4) Mr. Scott participated in the offering through Littlehorn Investments LLC.

The Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsections 5.5(a) and 5.7(1)(a)) since the fair market value of the securities distributed to, and the consideration received from the Related Parties did not exceed 25% of the Company's market capitalization. In particular, a total of 3,963,800 units (assuming the conversion of the MVS to SVS) were issued to insiders and related parties of the Company, having a total aggregate fair market value of $24,734,112 (assuming exercise of all warrants issued to such insiders and related parties).

No special committee was established in connection with the Offering. The participation by the Related Parties in the Offering was approved by the independent directors of the Company. No materially contrary view or abstention was expressed or made by any director of the Company in relation thereto. The participation by the Related Parties in the Offering is not expected to have a material effect on the Company's business and affairs. The Company filed a material change report more than 21 days in advance of the closing of the Offering which disclosed that certain insiders would be participating in the Offering, however the details of the participation therein was not settled until closing, with the Related Parties and the Company entering into subscription agreements on February 18, 2021.

ITEM 6 Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

N/A

ITEM 7 Omitted Information

N/A

ITEM 8 Executive Officer

Further information regarding the matters described in this report may be obtained from Peter Bilodeau, Interim Chief Executive Officer of the Company, who is knowledgeable about the details of the material change and may be contacted at 519-919-6500.

ITEM 9 Date of Report

March 29, 2021

SCHEDULE "A"

HARBORSIDE

Harborside Inc. Announces Closing of Upsized Private Placement

Not for distribution to United States newswire services or for release publication, distribution or dissemination directly, or indirectly, in whole or in part, in or into the United States.

OAKLAND, CA and TORONTO, ON – February 18, 2021 /CNW/ - Harborside Inc. ("Harborside", or the "Company") (CSE: HBOR), (OTCQX: HBORF), a California-focused, vertically-integrated cannabis enterprise, is pleased to announce that it has closed its previously announced upsized brokered private placement of units of the Company at a price of C$2.55 per SVS Unit (as defined below) and C$255.00 per MVS Unit (as defined below) for aggregate gross proceeds of C$35,103,045 (the "Offering"). Beacon Securities Limited and ATB Capital Markets acted as co-lead agents in connection with the Offering (the "Agents").

"We are very pleased with the strong investor interest and demand we received during our recent upsized offering," said Peter Bilodeau, Interim CEO of Harborside. "With a strengthened balance sheet, Harborside is well positioned to further accelerate our growth as we enter 2021. We remain focused on continuing to build scale in the California market by optimizing and generating further efficiencies at our Salinas farm while continuing to provide best-in-class retail experiences and the high-quality cannabis products our customers in California have come to expect from Harborside."

Each unit issued to non-residents of the United States (an "SVS Unit") is comprised of one subordinate voting share of the Company (a "Subordinate Voting Share") and one Subordinate Voting Share purchase warrant (a "Warrant") of the Company. Each Warrant underlying an SVS Unit is exercisable to acquire one Subordinate Voting Share of the Company for a period of 36 months following closing of the Offering (the "Closing") at an exercise price of C$3.69 per Subordinate Voting Share, subject to adjustment and acceleration in certain events. A total of 5,806,700 SVS Units were issued pursuant to the Offering.

All investors that are considered residents of the United States under the United States Securities Exchange Act of 1934 were issued units (each, an "MVS Unit") comprised of multiple voting shares of the Company (the "Multiple Voting Shares") and Multiple Voting Share purchase warrants of the Company, based on the same economic equivalency of each Multiple Voting Share converting into 100 Subordinate Voting Shares. The Multiple Voting Shares are intended to minimize the proportion of the outstanding voting securities of the Company that are held by residents of the United States for purposes of determining whether the Company is a "foreign private issuer". The holders of Multiple Voting Shares are entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could be converted, and as such the Multiple Voting Shares do not necessarily hold voting rights that are superior to the holders of Subordinate Voting Shares, on an as converted to Subordinate Voting Shares basis. A total of 79,592 MVS Units were issued pursuant to the Offering.

In consideration for their services, the Company paid the Agents a cash commission equal to C$1,451,340.75 and issued the Agents an aggregate of 569,154 broker warrants ("Broker Warrants"). Each Broker Warrant is exercisable to acquire, within 12 months from Closing, one SVS Unit at an exercise price of C$2.55 per SVS Unit.

The Company intends to use the net proceeds from the Offering for general corporate and working capital purposes.

As certain insiders and other related parties of the Company participated in the Offering, it is deemed to be a "related party transaction" as defined under Multilateral Instrument 61-101— Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61- 101 (pursuant to subsections 5.5(a) and 5.7(a)) as the fair market value of the securities distributed to, and the consideration received from, related parties did not exceed 25% of the Company's market capitalization.

For the latest news, activities, and media coverage, please visit the Harborside corporate website at http://www.investharborside.com or connect with us on LinkedIn, Facebook, and Twitter.

About Harborside:

Harborside Inc. is one of the oldest and most respected cannabis retailers in California, operating three of the major dispensaries in the San Francisco Bay Area, a dispensary in the Palm Springs area outfitted with Southern California's only cannabis drive-thru window, a dispensary in Oregon and a cultivation/production facility in Salinas, California. Harborside has played an instrumental role in making cannabis safe and accessible to a broad and diverse community of California consumers. In 2006, Harborside was awarded one of the first six medical cannabis licenses granted in the United States and today holds cannabis licenses for retail, distribution, cultivation, nursery and manufacturing. Harborside is currently a publicly listed company on the CSE trading under the ticker symbol "HBOR". Additional information regarding Harborside is available under Harborside's SEDAR profile at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward- looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates, and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements include, among other things, statements with respect to expected use of proceeds from the Offering.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to materially differ from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: implications of the COVID-19 pandemic on the Company's operations; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the cannabis markets where the Company operates; changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political, social and environmental uncertainties; inability to obtain adequate insurance to cover risks and hazards; employee relations and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution, and sale of cannabis and cannabis-related products in the markets where the Company operates. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

The Company, through several of its subsidiaries, is indirectly involved in the manufacture, possession, use, sale, and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States. Local state laws where the Company operates permit such activities however, these activities are currently illegal under United States federal law. Additional information regarding this and other risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Listing Statement dated May 30, 2019, and in the Company's management's discussion and analysis for the period ended September 30, 2020, filed under the Company's profile on SEDAR at www.sedar.com.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Company's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The Canadian Securities Exchange ("CSE") has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

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