

CARPINCHO CAPITAL CORP.

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Carpincho Capital Corp. (the "Corporation")
Suite 800, 181 University Avenue
Toronto, Ontario M5H 2X7

2. Date(s) of Material Change(s)

February 13, 2018

3. News Release

Press release attached as Schedule A hereto was released on February 14, 2018.

4. Summary of Material Change

On February 13 2018 the Corporation entered into a binding letter agreement with MM Development Company, LLC ("MMDC", a Nevada-based vertically integrated cannabis company, providing for the acquisition by the Corporation of all issued and outstanding securities of MMDC or a successor entity which, if completed, would constitute a reverse take-over of the Corporation. The transaction is subject to a number of conditions including, execution of a definitive agreement, completion of related private placement equity financing and all required shareholder and regulatory approvals.

5. Full Description of the Material Changes

See press release attached as Schedule A hereto.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officers

The following executive officer of Carpincho Capital Corp. may be contacted for additional information:

Lonnie Kirsh
President
Carpincho Capital Corp.
Suite 800, 181 University Avenue
Toronto, Ontario M5H 2X7

Tel: (416) 350-2347
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9. Date of Report

February 16, 2018

SCHEDULE "A"

CARPINCHO CAPITAL CORP.

CARPINCHO CAPITAL CORP. ANNOUNCES PROPOSED ACQUISITION OF MM DEVELOPMENT COMPANY, LLC AND RELATED FINANCING TRANSACTION

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.

February 14, 2018 - Toronto, Ontario – Carpincho Capital Corp. ("**Carpincho**") announces that it has entered into a binding letter agreement (the "**Letter Agreement**") with MM Development Company, LLC (doing business as Planet 13 and Medizin), a privately held limited liability company existing under the laws of the State of Nevada ("**MMDC**"), which outlines the general terms and conditions pursuant to which Carpincho and MMDC have agreed to complete a transaction (the "**Transaction**") that will result in a reverse take-over of Carpincho by the current shareholders of MMDC. The Letter Agreement was negotiated at arm's length and is effective as of February 13, 2018.

Founded in 2014, MMDC is a leading vertically integrated cannabis company in the State of Nevada. MMDC operates an award-winning dispensary located in Las Vegas with both a medical and recreational license, and sells its own in-house brands, Medizin (medical) and Planet 13 (recreational). MMDC also operates two cultivation licenses and two production licenses in Clark County and Nye County. Planet 13 has received recognition for its plant strain development and has earned awards and industry recognition for its current dispensary.

Terms of the Transaction and Financing Matters

In connection with the Transaction, Carpincho will acquire all of the issued and outstanding membership interests of MMDC in exchange for an aggregate of 75,000,000 post-consolidated shares of Carpincho. In the event that MMDC completes a reorganization prior to the completion of the Transaction, Carpincho will acquire the business of the successor entity to MMDC on the same terms described herein.

Prior to the completion of the Transaction, a brokered private placement of subscription receipts (the "**Subscription Receipts**") will be completed for aggregate gross proceeds of up to CAD\$25,000,000 (the "**Private Placement**"). The Private Placement will be conducted by a syndicate of agents co-led by Beacon Securities Limited (as sole bookrunner) and Canaccord Genuity Corp., and including Haywood Securities Inc. (collectively, the "**Agents**").

A cash fee payable to the Agents in consideration of the services rendered representing 6.0% of the gross proceeds of the Private Placement (other than in respect of proceeds from sales to persons on a "president's list" on which a 3% fee shall be payable) will be placed in escrow on the closing date of the Private Placement and will be released to the Agents, together with any interest earned thereon, upon satisfaction of the Escrow Release Conditions (defined below). As additional consideration, the Agents shall be granted compensation options ("**Compensation**").

Options) equal to 6% of the number of Subscription Receipts sold pursuant to the Private Placement (other than in respect of Subscription Receipts sold to persons on a “president’s list” pursuant to which 3% Compensation Options shall be issuable). Each Compensation Option shall entitle the holder to acquire one Resulting Issuer Share (defined below) (subject to any necessary adjustments) at the issue price of the Subscription Receipts for a period of 24 months following the satisfaction of the Escrow Release Conditions.

The gross proceeds of the Private Placement net of certain expenses will be placed into escrow (the “**Escrowed Proceeds**”) and released upon the satisfaction of a number of conditions, including that all conditions precedent to the closing of the Transaction have been satisfied or waived (the “**Escrow Release Conditions**”). Immediately prior to the closing of the Transaction, the Escrowed Proceeds will be released from escrow, and the holders of Subscription Receipts will ultimately receive common shares of the Resulting Issuer (defined below) on closing of the Transaction after giving effect to a consolidation by Carpincho (the “**Consolidation**”) of its existing common shares (the “**Existing Shares**”) on the basis of 5.5 new common shares (the “**Resulting Issuer Shares**”) for each six Existing Shares. It is anticipated that net proceeds of the Private Placement will be used by the Resulting Issuer to fund the construction of a new dispensary near the Las Vegas Strip, to construct a greenhouse complex for the cultivation and production of cannabis and cannabis-based products in Beatty, Nevada, and for general corporate purposes. Further details regarding the Private Placement will be included in a subsequent news release once additional details become available.

In connection with the Transaction, each existing securityholder of MMDC (or a successor entity) (other than those securityholders that result from the Private Placement, if applicable) will receive one Resulting Issuer Share and one Restricted Share (defined below) for existing securities of MMDC (or a successor entity) then held, resulting in the issue to such securityholders of MMDC (or a successor entity) of 25,300,000 Resulting Issuer Shares and 49,700,000 Restricted Shares, prior to giving effect to the Resulting Issuer Shares to be issued on satisfaction of the Escrow Release Conditions. The Restricted Shares shall have full voting rights on all matters other than with respect to the election of directors. The Transaction is subject to requisite regulatory approvals and standard closing conditions, including the approval of the directors of each of Carpincho and MMDC (or a successor entity) of a definitive agreement in respect of the Transaction (the “**Definitive Agreement**”), as well as the conditions described below. The legal structure for the Transaction will be determined after the parties have considered all applicable tax, securities law, and accounting efficiencies. Upon completion of the Transaction, it is the intention of the parties that the Resulting Issuer will continue to focus on the current business and affairs of MMDC (or a successor entity).

Upon completion of the Transaction, it is expected that the shareholders of Carpincho will hold approximately 5.2% of the equity of the combined entity (the “**Resulting Issuer**”), purchasers in the Private Placement will hold approximately 23.7% of the equity of the Resulting Issuer (assuming the Private Placement is fully subscribed), and the former securityholders of MMDC (or a successor entity) will hold approximately 71.1% of the equity of the Resulting Issuer.

About MMDC

MMDC was founded in Las Vegas, Nevada in 2014 as a limited liability company by Larry Scheffler, Robert Groesbeck and Chris Wren to provide compassionate, dignified and affordable access to cannabis, cannabis concentrates and cannabis-infused products to approved customers in Nevada. MMDC's operations are vertically integrated with a primary cultivation facility and dispensary located in Las Vegas. MMDC's registered office is located at 4850 West Sunset Road, Unit 130, Las Vegas, Nevada 89118.

About Carpincho

Carpincho was incorporated under the provisions of the *Canada Business Corporations Act* on April 26, 2002 and its registered and head office is located in Toronto, Ontario. Carpincho is engaged in venture capital activities, with the intention of identifying and evaluating opportunities for the acquisition of an interest in properties, assets or businesses, and once identified and evaluated, to negotiate an acquisition thereof, merger with or participation therein. Carpincho is a "reporting issuer" within the meaning of the *Securities Act* (Ontario), *Securities Act* (Alberta), *Securities Act* (Quebec), *Securities Act* (Nova Scotia), *Securities Act* (Prince Edward Island) and *Securities Act* (Newfoundland and Labrador).

As of the date hereof, Carpincho has 5,000,000 Existing Shares issued and outstanding and 1,000,000 special warrants (the "**Special Warrants**"), with each Special Warrant exercisable into one Existing Share immediately prior to the completion of the Transaction. As a condition to, and immediately prior to the completion of, the Transaction, Carpincho will have no more than 6,000,000 Existing Shares issued and outstanding, prior to giving effect to the Consolidation.

Insiders, Officers and Board of Directors of the Resulting Issuer

It is expected that upon completion of the Transaction, the Resulting Issuer will have the following officers:

- Robert Groesbeck, the Co-Chief Executive Officer of MMDC, will serve as Co-Chief Executive Officer and a director of the Resulting Issuer.
- Larry Scheffler, the Co-Chief Executive Officer of MMDC, will serve as Co-Chief Executive Officer and a director of the Resulting Issuer.
- Chris Wren, the Vice-President, Operations of MMDC will serve as Vice-President of Operations of the Resulting Issuer.
- Tanya Lupien, Vice-President, Sales and Marketing of MMDC, will serve as Vice-President, Sales and Marketing of the Resulting Issuer
- William Vargas, Vice-President, Finance of MMDC, will serve as Vice-President, Finance of the Resulting Issuer.
- Dennis Logan will serve as Chief Financial Officer of the Resulting Issuer.

Set forth below is a description of the backgrounds of all persons who are currently expected to serve as directors and officers of the Resulting Issuer.

Robert Groesbeck, Co-Chief Executive Officer

Mr. Groesbeck has been a Las Vegas area resident for the majority of his life as a career long entrepreneur, starting and/or assisting in the creation of several businesses. Mr. Groesbeck was designated as one of the top forty Southern Nevada Business Executives under the age of forty, on the basis of his professional achievement and community service by the Las Vegas Business Press.

Mr. Groesbeck also has extensive experience in the legal field. He has practiced law for over 25 years. He also served as the Mayor of the City of Henderson from 1993 to 1997. Mr. Groesbeck earned his B.S. in Criminal Justice from the University of Nevada, an M.B.A. from National University and a J.D. from Western Michigan University.

Larry Scheffler, Co-Chief Executive Officer

Larry Scheffler has been a resident of Nevada for 48 years. He founded Las Vegas Color Graphics, Inc. ("**Las Vegas Color**") 40 years ago in 1978 and grew it into the largest privately-owned commercial printing company in Nevada. Las Vegas Color has a staff of more than 200 people. He also served as a councilman for the city of Henderson, Nevada from 1990 to 1995. Mr Scheffler also served as a commissioner on 6 major commissions in Southern Nevada government. He also has an extensive background in real estate.

Chris Wren, Vice-President, Operations

Chris Wren joined Planet 13, one of MMDC's operating companies, in March 2014 and is responsible for the oversight of all production and cultivation operations. Mr. Wren also designed and managed the construction of the company's dispensary, the Clark County cultivation facility and the Beatty complex. Mr. Wren has won several awards for his cultivation efforts, including 1st place in the 2015 International Cannagraphic Growers Cup. A veteran of the cannabis industry, Mr. Wren has over 15 years' experience in the cannabis industry.

Tanya Lupien, Vice-President, Sales and Marketing

Tanya Lupien joined Planet 13 in October 2016 and is responsible for developing and executing the company's sales and marketing strategies. Ms. Lupien also oversees all dispensary operations and staff. Prior to joining Planet 13, Ms. Lupien served as District Manager at Farmer's Insurance Group of Companies. Ms. Lupien holds a B.A. in Communications – Public Relations from the University of North Dakota.

William Vargas, Vice-President, Finance

Mr. Vargas has over 25 years of senior financial management and accounting experience. Bill currently serves as CFO/Senior VP of Las Vegas Color, a US\$30 million commercial printer as described above. Previously, Bill served as VP Finance, CFO and Corporate Secretary of LEC

Technologies, Inc., a publicly-traded computer leasing company. Bill started his career in finance and accounting as audit manager with Arthur Andersen & Co.

Dennis Logan, Chief Financial Officer

Mr. Logan has over 25 years' financial advisory and senior financial management and accounting experience, having spent 17 years in investment banking prior to transitioning into CFO roles for publicly listed issuers. Mr. Logan currently serves as the Chair of the Audit Committee of Eurcontrol Technics Group Ltd. (TSX-V: EUO) and Magna Terra Minerals Inc. (TSX-V: MTT), and serves as the part-time CFO for Latin American Minerals Inc. (TSX-V: LAT) and BTU Metals Corp (TSX-V: BTU). Previously, Mr. Logan served as the CFO, Director and Corporate Secretary of Almonty Industries Inc., a publicly listed tungsten mining and processing company (TSX-V: All). Mr. Logan is a CPA, CA and started his career in finance and accounting with Ernst & Young LLP.

Greg Wilson, Independent Director

Mr. Wilson is an entrepreneur and corporate finance strategist with more than 20 years' experience advising and structuring capital market financings for start-up and emerging growth enterprises. In 2005, Mr. Wilson co-founded Paramount Gold & Silver Corp., a precious metals exploration company that was sold to Coeur Mining for over \$200 million in late 2014. Mr. Wilson is currently Executive Vice President, CR Advisory Services and was a founding Director of CannaRoyalty Corp. Mr. Wilson also sits on the Board of Directors of BlackShire Capital Corp., a private cannabis focused investment company based in Toronto, Canada.

Marc Lustig, Independent Director

Mr. Lustig holds MSc and MBA degrees from McGill University. He began his professional career in the pharmaceutical industry. For the next 15 years, Mr. Lustig worked in senior roles at GMP Securities L.P. and as Head of Capital Markets at Dundee Capital Markets before becoming a Principal at KES 7 Capital. In early 2015, Mr. Lustig founded Cannabis Royalties & Holdings Corp., which is now CannaRoyalty Corp. where he is currently CEO and a Director.

It is expected that upon completion of the Transaction, the board of directors of the Resulting Issuer will consist of five directors. Carpincho will issue an additional news release including further information with respect to the incoming board of directors and other officers of the Resulting Issuer as soon as such titles are formally determined.

As at the date hereof, Messrs. Groesbeck and Scheffler beneficially own, in the aggregate, directly or indirectly, 100% of the membership interests of MMDC, and are expected to own 94% of the equity of MMDC (or a successor entity) immediately prior to the completion of the proposed Transaction.

Conditions to Transaction

Prior to completion of the Transaction (and as conditions of closing):

- Carpincho shall obtain receipt of requisite shareholder approvals in connection with the following matters: (i) a change of name to “Planet 13 Holdings Inc.” or such other name as may be requested by MMDC (or a successor entity) and acceptable to applicable regulatory authorities (the “**Name Change**”); (ii) the Consolidation; (iii) an amendment to its articles to create a class of restricted voting shares (each a “**Restricted Share**”), each of which shall be convertible into common shares of Carpincho on a one-for-one basis; (iv) the election of the directors of the Resulting Issuer to replace the current directors of Carpincho immediately following the completion of the proposed Transaction; and (v) the approval of the Transaction, if required by regulatory authorities.
- The Private Placement will be completed.
- Carpincho and MMDC (or a successor entity) will enter into the Definitive Agreement.
- MMDC (or a successor entity) will obtain the requisite shareholder approvals for the Transaction and the ancillary matters contemplated in the Definitive Agreement.
- MMDC (or any successor entity) will obtain the approval of any third parties from whom it must obtain consent including, but not limited to, any lenders or financial institutions, Nevada State and local regulators, licensors and strategic partners.
- All requisite regulatory approvals relating to the Transaction will have been obtained, and the Resulting Issuer Shares will have been approved for listing on the Canadian Securities Exchange (CSE).

The Definitive Agreement, once completed, will be filed under Carpincho’s issuer profile on SEDAR at www.sedar.com.

Further Information

All information contained in this news release with respect to Carpincho and MMDC was supplied by the parties respectively for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

For further information regarding the proposed Transaction, please contact:

Lonnie Kirsh, President & Chief Executive Officer, Carpincho Capital Corp.

Tel: (416) 350-2347

Email: lonnie@acuitylaw.ca

Robert Groesbeck or Larry Scheffler, Co- Chief Executive Officers, MMDC.

Email: bobgroesbeck@gmail.com or lscheffler@lasvegascolor.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 relate, among other things, to: the terms and conditions of the proposed Transaction; the terms and conditions of the proposed Private Placement; use of funds; and the business and operations of the Resulting Issuer after the proposed Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board, shareholder or regulatory approvals. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release.

Readers should not place undue reliance on the forward-looking statements and information contained in this news release. Carpincho and MMDC assume no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

The securities to be offered in the Private Placement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.