

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

**Item 1      Name and Address of Company**

Planet 13 Holdings Inc. (formerly Carpincho Capital Corp.)  
4850 West Sunset Road, Unit 130  
Las Vegas, Nevada 89118

**Item 2      Date of Material Change**

June 11, 2018

**Item 3      News Release**

A news release in respect of the material change was disseminated through the facilities of Canada NewsWire and subsequently filed on SEDAR.

**Item 4      Summary of Material Change**

Planet 13 Holdings Inc. (the "**Company**" or "**Planet 13**"), formerly Carpincho Capital Corp. ("**Carpincho**"), announced the completion of its previously announced business combination with MM Development Company, Inc. ("**MMDC**"), a leading Nevada-based vertically-integrated cannabis company, and related acquisition of 10653918 Canada Inc. ("**Finco**") (collectively, the "**Transactions**").

**Item 5      Full Description of Material Change**

Planet 13, formerly Carpincho, announced the completion of its previously announced Transactions.

**Overview of Transactions**

Prior to the completion of the Transactions, Carpincho consolidated its share capital on the basis of 0.875 of a new common share for each existing common share, changed its name to "**Planet 13 Holdings Inc.**" and created a new class of convertible, restricted voting shares (the "**Planet 13 Restricted Shares**"). The Planet 13 Restricted Shares are convertible into common shares of Planet 13 (the "**Planet 13 Shares**") at the option of the holder or Planet 13 on a share-for-share basis. Holders of Planet 13 Restricted Shares are not entitled to vote on the election or removal of directors of Planet 13. On closing of the Transactions, there were 62,008,400 Planet 13 Shares and 49,700,000 Planet 13 Restricted Shares issued and outstanding.

The Canadian Securities Exchange (the "**CSE**") has conditionally approved the listing of the Planet 13 Shares. Listing is subject to the Company fulfilling all listing requirements of the CSE.

For further information with respect to the Transactions and the business of Planet 13, please refer to the listing statement of Planet 13 dated May 24, 2018 (the "**Listing Statement**") and posted under Planet 13's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Subscription Receipt Financing**

As previously announced by Carpincho in April and May 2018, Finco completed private placements of subscription receipts (the "**Subscription Receipts**") at a price of C\$0.80 (the "**Offering Price**") per Subscription Receipt for gross proceeds of C\$25,166,640 (the "**Offering**"), the brokered portion of which was conducted by a syndicate of agents co-led by Beacon Securities Limited and Canaccord Genuity Corp. and including Haywood Securities Inc.

The proceeds from the Offering, less certain expenses, were placed into escrow on completion of the Offering. In connection with the completion of the Transactions, the Subscription Receipts were converted on a one-for-one basis into a total of 31,458,300 common shares of Finco and 15,729,150 common share purchase warrants of Finco, which upon completion of the acquisition of Finco by Planet 13 became Planet 13 Shares and Planet 13 Share purchase warrants (the "**Planet 13 Warrants**"). The escrowed proceeds from the Offering, less the commission of the Agents and certain fees and expenses, have been released from escrow to Planet 13.

### **New Board and Management**

Upon closing of the Transactions, the board of directors and management of the Company were reconstituted as follows in place of the previous directors and officers of Carpincho:

- **Robert Groesbeck**, Co-Chief Executive Officer and a Director;
- **Larry Scheffler**, Co-Chief Executive Officer and a Director;
- **Dennis Logan**, Chief Financial Officer;
- **William Vargas**, VP, Finance;
- **Chris Wren**, VP, Operations;
- **Tanya Lupien**, VP, Sales and Marketing;
- **Greg Wilson**, Director;
- **Marc Lustig**, Director; and
- **Michael Harman**, Director

Biographical descriptions of each director and member of the senior management team of Planet 13 is included in the Listing Statement.

### **Equity Awards**

In connection with the closing of the Transactions, the Company has granted an aggregate of 820,000 stock options to employees and other service providers to purchase up to the same number of Planet 13 Shares, and awarded 5,638,358 share units to officers and directors of the Company. The stock options have an exercise price

of C\$0.80 per share, expire five years from the date of grant and vest in thirds over a period of two years, with the first third vested as of the closing date of the Transactions, other than 175,000 that expire three years from the date of grant and vest over a period of nine months, with the first quarter vested as of the closing date of the Transactions, and an additional quarter vesting every three months thereafter. The share units vest in thirds over a period of two years, with the first third vested as of the closing date of the Transactions.

### **Promissory Notes**

Messrs. Groesbeck and Scheffler, through controlled companies, have outstanding notes due from Planet 13 of US\$1.667 million each, or a total of US\$3.334 million. The promissory notes' bear interest at an effective rate of 15% per annum, and the aggregate unpaid principal amounts of the loans, all accrued and unpaid interest thereon, and all other amounts payable under the loans, are due and payable on demand at any time after December 31, 2019. The promissory notes provide that the holders have the option to convert the notes into Planet 13 Shares at a price of C\$0.80 per Planet 13 Share.

### **Information for Shareholders**

The Company's transfer agent, Odyssey Trust Company ("**Odyssey**"), will be delivering share certificates or statements pursuant to the Direct Registration System ("**DRS**"), and warrant certificates, to all former holders of Subscription Receipts, other than former holders of Subscription Receipts who acquired such Subscription Receipts on a non-brokered basis, evidencing the Planet 13 Shares and Planet 13 Warrants that they received in connection with the completion of the Transactions. Shareholders of the Company wishing to receive a physical share certificate should contact Odyssey for information on how to obtain physical share certificates in place of a DRS Advice. The ISIN number for the Planet 13 Shares is CA72706K1012 and the trading symbol reserved for the Planet 13 Shares on the CSE is "PLTH".

### **Early Warning**

In connection with the Transactions, Robert Groesbeck and Larry Scheffler each acquired 11,891,000 Planet 13 Shares and 23,359,000 Planet 13 Restricted Shares. Prior to the completion of the Transactions, neither Messrs. Groesbeck nor Scheffler owned any securities of Carpincho or Finco. As at the date hereof, the 11,891,000 Planet 13 Shares and 23,359,000 Planet 13 Restricted Shares held by each of Messrs. Groesbeck and Scheffler represent approximately 31.5%, respectively, of the total issued and outstanding equity shares of Planet 13. The Planet 13 Shares and Planet 13 Restricted Shares were acquired for investment purposes only. Depending on market and other conditions, or as future circumstances may dictate, both Messrs. Groesbeck and Scheffler may, respectively, from time to time, and subject to any contractual lock-up agreements, and the escrow provisions referenced above, increase or decrease their holdings of Planet 13 Shares or other securities of Planet 13.

A copy of the early warning reports of Messrs. Groesbeck and Scheffler will be available on Planet 13's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com). Messrs. Groesbeck and Scheffler can be contacted c/o Planet 13 at 4850 West Sunset Road, Unit 130, Las Vegas, Nevada 89118.

The Company expects that trading of the Planet 13 Shares will commence on the CSE within the next two weeks.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable

**Item 7 Omitted Information**

Not Applicable

**Item 8 Executive Officer**

Robert Groesbeck, Co-Chief Executive Officer, 702 206-1313

**Item 9 Date of Report**

June 14, 2018.

**Cautionary Note Regarding Forward-Looking Information**

*This material change report 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 material change report. 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 material change report, forward-looking statements relate, among other things, to the timing and receipt of the final stock exchange approval for the commencement of trading of the Planet 13 Shares on the CSE, and future expansion plans.*

*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: final regulatory and other approvals or consents; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the Nevada cannabis market and changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; 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 State of Nevada; and employee relations. 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 material change report. 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 is indirectly involved in the manufacture, possession, use, sale and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States through its subsidiary MMDC. Local state laws where MMDC 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 Company's Listing Statement filed on its issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

*No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*