

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

Item 1 Name and Address of Company

Planet 13 Holdings Inc.
4850 West Sunset Road, Unit 130
Las Vegas, Nevada 89118

Item 2 Date of Material Change

July 19, 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**") extends \$1.26 million loan against Clark County facilities and securities right of first refusal to purchase the facilities.

Item 5 Full Description of Material Change

MM Development Company, Inc. ("MMDC"), the Nevada wholly owned subsidiary of Planet 13, loaned (the "**Loan**") US\$1.26 million to Fargo District Holdings, LLC ("**Fargo**"), and further obtained a right of first refusal to purchase the real estate facilities (the "**Real Estate Facilities**") at 4280 Wagon Trail Drive, Las Vegas, Nevada 89108.

The Real Estate Facilities are currently for sale. By extending a loan to Fargo and obtaining a right of first refusal to purchase the Real Estate Facilities, Planet 13 has ensured that it is well-positioned to continue to grow its supply of international award-winning cannabis strains, on an uninterrupted basis, throughout and following the sale process.

Fargo is owned by Larry Scheffler, co-CEO and co-Chairman of the board of directors of Planet 13. Fargo holds the Real Estate Facilities which are subject to a long-term lease with MMDC and also holds MMDC's Clark County cultivation facilities.

The Loan was made to extinguish a prior loan when the lender required repayment. The Loan and its terms were reviewed and unanimously approved by the independent directors of Planet 13 after obtaining a certified appraisal on the Real Estate Facilities valued at US\$3.6 million. The secured promissory note has a term of 20 years, with the interest rising from 3.95% after the first year to 8% thereafter. The promissory note is secured by the Real Estate Facilities, a personal guarantee by Mr. Scheffler, a collateral

assignment of rents and leases, and a deed of trust which is currently being prepared and recorded in favor of MMDC. The Loan can be repaid by Mr. Scheffler at any time without penalty.

Since Mr. Scheffler is considered a "related party" of Planet 13 under Multilateral Instrument 61- 101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") as co-CEO, a director and holder of more than 10% of the equity of Planet 13, his participation in the Loan constitutes a "related party transaction" as defined under MI 61-101. The Loan is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the fair market value of the Loan does not exceed 25% of Planet 13's market capitalization. A material change report was not filed more than 21 days prior to closing of the Loan due to the timing of the decision to make the Loan, the announcement and the closing all occurring in less than 21 days.

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, 416-283-0178
Larry Scheffler, Co-Chief Executive Officer, 416-283-0178

Item 9 Date of Report

July 27, 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 to, among other things, 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 material change report 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 dated May 24, 2018 filed on its issuer profile on SEDAR at www.sedar.com.

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