

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Deer Horn Capital Inc.
Suite 140 – 1440 Garden Place
Delta, BC V4M 3Z2

Item 2. Date of Material Change

December 23, 2014

Item 3. News Release

A News Release dated and issued December 23, 2014 at Vancouver, BC, through the facilities of Filing Services Canada and SEDAR.

Item 4. Summary of Material Change

Deer Horn announces that it has signed a definitive Asset Purchase Agreement and has increased a non-brokered private placement to \$750,000. See news release, a copy of which is attached hereto.

Item 5. Full Description of Material Change

See news release, a copy of which is attached hereto.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Tyrone Docherty, President & CEO
Telephone: 604.952.7221

Item 9. Date of Report

December 23, 2014

NEWS >

DEER HORN SIGNS DEFINITIVE ASSET PURCHASE AGREEMENT AND INCREASES NON-BROKERED PRIVATE PLACEMENT

Vancouver, BC, Canada, December 23, 2014, Deer Horn Capital Inc. (the “Company” or “Deer Horn”) announces that further to its news release of November 28, 2014, it has now signed a definitive asset purchase agreement to acquire the business assets owned by a private company, which assets include leased premises which are currently sub-leased to various individuals for the purpose of producing medical marijuana under 8 MMAR production licenses. Additional assets being acquired include the corresponding consulting business of the private company, the principal of whom is engaged by various clients to provide information and guidance with respect to the cultivation of various strains of medical marijuana plants. Closing of this transaction is expected to occur on or before January 7, 2015.

In addition, the Company advises that it has increased its proposed non-brokered private placement such that it now intends to raise up to \$750,000, with the increased funds being allocated to general working capital. All other terms of the offering remain as set out in the Company’s November 28, 2014 news release.

As previously announced, due to the current market conditions in the resource sector, although the Company intends to maintain its current resource portfolio, management has also been evaluating new projects that have the potential to bring cash flow to the Company and to enhance shareholder value. The above-noted acquisition is one of a number of potential projects that management is currently assessing. The Company will provide shareholders with updates on the status of the asset purchase transaction, as well as other opportunities, when material information becomes available.

On behalf of the board of directors of
Deer Horn Capital Inc.

“Tyrone Docherty”

Tyrone Docherty
President and CEO

For further information please contact:

Primary Contact

Tyrone Docherty President Deer Horn Capital Inc. (604) 952 7221 tyrone.doccap@dccnet.com
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Forward Looking Information

All statements included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. In particular, this news release contains forward-looking information regarding the asset purchase agreement ("APA") and management's evaluations of other potential projects. These forward-looking statements involve numerous assumptions made by the Company based on its experience, perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. In addition, these statements involve substantial known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will prove inaccurate, certain of which are beyond the Company's control. The Company's actual results, performance or achievement could differ materially from those expressed in or implied by, the forward looking information and accordingly, no assurance can be given that any of the events anticipated to occur or transpire form the forward looking information will provide any benefits to the Company. Readers should not place undue reliance on forward-looking statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after the date hereof or to revise them to reflect the occurrence of future unanticipated events.

Neither the Canadian Securities Exchange nor its regulations services accepts responsibility for the adequacy or accuracy of this release.