

FORM 51-102F3

MATERIAL CHANGE REPORT

**Item 1: Name and Address of Reporting Issuer**

PUF Ventures Inc. (the “**Company**”)  
804-750 West Pender Street  
Vancouver, BC V6C 2T7

**Item 2: Date of Material Change**

May 18, 2018.

**Item 3: News Release**

A news release was issued and disseminated on May 24, 2018 and filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

**Item 4: Summary of Material Changes**

The Company has entered into an arrangement agreement dated May 18, 2018 with its subsidiary Natures Hemp Corp. (“**Natures Hemp**”).

**Item 5: Full Description of Material Change**

The Company has entered into an arrangement agreement dated May 18, 2018 with its subsidiary Natures Hemp whereby the Company will transfer the assets (the “**Assets**”), being the business of development of cannabidiol extraction from seeds and other plant parts for the creation of high quality oils and flours, proprietary hemp base food and medicinal products into Natures Hemp by way of a plan of arrangement (the “**Arrangement**”) pursuant to Division 5 of Part 9 of the *Business Corporations Act* (British Columbia), and Natures Hemp will become a reporting issuer in the Provinces of British Columbia, Alberta and Ontario upon completion of the Arrangement.

The purpose of the Arrangement is to allow the Company to divest itself of the Assets to Natures Hemp, enabling the Company to focus on the cultivation and future sales of cannabis with both THC and CBD and other vertically integrated products concerning cannabis. Natures Hemp will have a diversified management team, with special focus on hemp-related products, isolate extractions and related nutraceutical and medicinal products.

The Arrangement will be subject to the approval of the Supreme Court of British Columbia, as well as approval by the Company shareholders at a special meeting to be held on Tuesday, August 7, 2018 (the “**Meeting**”). Pursuant to the Arrangement, the Company will distribute 17,500,000 (100%) of the common shares of Natures Hemp (the “**Natures Hemp Shares**”) it receives to the Company shareholders on a pro rata basis. The Company shareholders will be entitled to receive one Natures Hemp Share in exchange for approximately every four (4) common shares of the Company held as at June 18, 2018 (the “**Record Date**”). There will be no change in shareholders’ holdings in the Company as a result of the Arrangement. No outstanding warrants or options of the Company will be transferred over to Natures Hemp.

Following completion of the Arrangement, (i) Natures Hemp will hold the Assets transferred to it by the Company, (ii) Natures Hemp will become a reporting issuer in the Provinces of British Columbia, Alberta and Ontario, intends to apply for listing on the Canadian Securities Exchange (the “**Exchange**”), and must meet the listing requirements of the Exchange, (iii) each Company shareholder will continue to be a Company shareholder, (iv) all the Company shareholders will have become shareholders of Natures Hemp, and (v) the Company will retain its working capital for its Assets, and remain listed on the Canadian Securities Exchange and will continue to trade under the trading symbol, PUF, as a consumer products – biotechnology/pharmaceuticals company.

Details of the proposed Arrangement will be provided in a Management Information Circular that will be mailed to all the Company shareholders as at the Record Date. At the Meeting, the Company shareholders will be asked to vote on a special resolution approving the Arrangement. The Company shareholders of record as at the Record Date will be eligible to vote on the Arrangement. The Arrangement will be posted on SEDAR under the profile of PUF.

The effective date of the Arrangement is expected to be in September 2018. A further press release will be issued by the Company with additional details regarding the Arrangement and when the exact effective date is known.

Additionally, Natures Hemp is in the process of raising funds by way of special warrant financings. It is expected that the special warrants will be converted into shares of Natures Hemp after the Meeting.

**About PUF Ventures Inc.**

PUF Ventures Inc. is a growth oriented and diversified company focused on the international cannabis industry. It has ownership in several cannabis companies: AAA Heidelberg, Solaris Nutraceuticals Pty Ltd., and Natures Hemp Corp., and is actively pursuing other opportunities within the industry. PUF has an option to purchase 100% of AAA Heidelberg Inc., a private Ontario company and advanced applicant for an ACMPR license. Solaris Nutraceuticals is building the largest medical cannabis greenhouse in the Southern Hemisphere. For more information please visit: [www.puf.ca](http://www.puf.ca).

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

Not applicable.

**Item 7: Omitted Information**

None.

**Item 8: Executive Officer**

For further information, please contact:

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**Item 9: Date of Report**

May 24, 2018.