

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Empower Clinics Inc. (the “**Company**”)
1771 Robson Street, Suite 505
Vancouver, BC V6G 1C9

Item 2 Date of Material Change

January 6, 2022

Item 3 News Release

The news release dated January 6, 2022, was disseminated through Canada Newswire.

Item 4 Summary of Material Change

On January 6, 2022, the Company announced the closing of the private placement of units of the Company (each, a “**Unit**”) at a price of \$0.20 per Unit and unsecured convertible debenture units (each, a “**Debenture Unit**”) at a price of \$1,000 per Debenture Unit for aggregate gross proceeds of C\$3,000,000 (the “**Financing**”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Insiders of the Company, including Steven McAuley, the Chief Executive Officer and a director of the Company, purchased an aggregate of 1.75 million units under the Financing. In connection with the Financing, Mr. McAuley entered into a securities lending agreement (the “**Agreement**”) with a purchaser of Debenture Units (the “**Borrower**”) pursuant to which, immediately following the Closing, the Borrower will provide Debentures in the principal amount of \$1.2 million to Mr. McAuley as collateral for 6,000,000 unrestricted Shares to be lent by Mr. McAuley to the Borrower.

The Company intends to use the net proceeds raised under the Financing to advance its growth plans, and for working capital purposes and general administrative expenses. In connection with the Financing, the Company paid aggregate fees of \$328,500 (of which \$113,000 was satisfied by the issuance of 565,000 Units) and issued certain eligible finders an aggregate of 1,592,500 finder’s warrants, each of which is exercisable into one common share in the capital of the Company at a price of \$0.20 per share for two years.

The subscriptions by insiders of the Company were “related party transactions” as defined under Multilateral Instrument 61-101 (“MI 61-101”). The transactions were exempt from the formal valuation and minority approval requirements of MI 61-101 since none of the securities of the Company were listed on a stock exchange specified in section 5.5(b) of MI 61-101 and, at the time the transactions were agreed to, neither the fair market value of the transactions nor the fair market value of the consideration for the transactions, insofar as it involved interested parties, exceeded 25% of the Company’s market capitalization.

There was no material change in any insider's ownership in the Company as a result of the Financing. Resolutions of the disinterested members of the board of directors of the Company were passed approving the Financing and the insider participation in the Financing. No special committee was established and no formal valuation was obtained in connection with the Financing, and no materially contrary view or abstention was expressed or made by any director. Other than the subscription agreements to purchase the Units pursuant to the Financing and the certificate representing the Warrants underlying such Units, the Company did not enter into any agreement with any insiders or any other interested party or a joint actor with an interested party in connection with the Financing. The Company did not file a material change report more than 21 days before the closing date of the Financing as the details of the Financing and the final participation by insiders of the Company were not settled until after that time, and the Company wished to close the Financing on an expedited basis for sound business reasons.

The securities issued pursuant to the Financing are subject to a four month hold period under applicable Canadian securities laws.

The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation to buy any securities in any jurisdiction.

5.2 Disclosure for Restructuring Transactions

N/A

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

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Steven McAuley
Chief Executive Officer
Telephone: (604) 789-2146

Item 9 Date of Report

January 14, 2022