

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Big Sky Petroleum Corporation
1177 West Hastings Street, Suite 2288
Vancouver, BC V6E 2K3

Item 2. Date of Material Change

October 20, 2020

Item 3. News Release

A joint news release dated October 21, 2020 was disseminated and filed on SEDAR.

Item 4. Summary of Material Change

Big Sky and Pure Extract Technologies Sign Definitive Amalgamation Agreement and Closed Oversubscribed \$5.4 Million Financing.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Big Sky Petroleum Corporation (TSX-V: BSP.H) (the “**Company**” or “**Big Sky**”), a company listed on the NEX Board of the TSX Venture Exchange (the “**TSXV**”) and Pure Extract Technologies Inc. (“**Pure Extracts**”) announced that, further to the Big Sky news release dated February 19, 2020, that they have signed an Amalgamation Agreement dated October 20, 2020 (the “**Definitive Agreement**”) pursuant to which the Company will acquire (the “**Transaction**”) all of the outstanding shares of Pure Extracts, a British Columbia based cannabis and hemp extraction company that has recently been awarded a “Standard Processing License” from Health Canada for its fully built extraction facility. It is intended that the operations of the combined company (the “**Resulting Issuer**”) will include the extraction for toll processing, white label and its own private label of products incorporating its full spectrum THC and CBD based oils and functional mushroom extracts. Additionally, the Resulting Issuer intends to obtain approval of the production and sale of its products into the European Union, having built its facility to EU GMP standards, and undertake an acquisition strategy to build a portfolio of complementary branded products.

The Company also announced that further to its news release dated February 19, 2020, Pure Extracts’ concurrent financing of \$5,000,000 closed on an oversubscribed basis, raising gross proceeds of \$5,420,301 by way of a convertible debenture offering, which will convert to common shares in the Resulting Issuer at a price of \$0.30 per share.

Summary of the Transaction

The Transaction will be effected by way of a three-cornered amalgamation without court approval under the provisions of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). Pure Extracts will amalgamate with 1270233 B.C. Ltd., a newly incorporated wholly-owned subsidiary of the Company, and will become a wholly-owned subsidiary of the Company on completion of the Transaction, and the shareholders of Pure Extracts will exchange their shares in Pure Extracts for common shares of the Company. Upon completion of the Transaction, the Resulting Issuer will continue on with the business of Pure Extracts.

The Company has received conditional approval to list its common shares on the Canadian Securities Exchange (the “**CSE**”). Prior to the completion of the Transaction, the Company intends to voluntarily de-list its common shares from the NEX Board of the TSXV. In accordance with TSXV requirements, the Company will be seeking majority of the minority shareholder approval in connection with the de-listing.

Prior to the closing of the Transaction, Big Sky will change its name to “Pure Extracts Technologies Corp.” or such other name as may be agreed upon the parties. Additionally, Big Sky will complete a consolidation of the issued common share capital on the basis of one (1) new common share for each six (6) old common shares (the “**Consolidation**”).

The Company will issue the following securities in connection with the Transaction to existing security holders of Pure Extracts: approximately 63,761,043 common shares, 12,000,000 rights exercisable to common shares based on milestone performances, 12,213,856 share purchase warrants, and 10,596,674 incentive stock options. Additionally, 5,000,000 common shares of Big Sky will be issued as a finders’ fee to parties at arms-length to the Company.

Additional information concerning the Transaction and the Resulting Issuer will be disclosed in the Listing Statement of the Resulting Issuer to be filed in connection with listing on the CSE, and which will be available under the Resulting Issuer’s SEDAR profile at www.sedar.com.

Conditions to the Transaction

The completion of the Transaction remains subject to a number of terms and conditions, including, among other things:

- each of Pure Extracts and the Company having received all required shareholder approvals;
- the Transaction being effective on or prior to December 31, 2020, or such other date as the parties may agree;
- each of the parties obtaining all necessary consents, orders and regulatory approvals, including Big Sky having received approval for delisting from the NEX board of the TSXV and conditional listing approval of the CSE;
- no material change occurring to the business of each of the parties;
- the satisfaction of obligations under the Definitive Agreement relating to each of the parties; and

- the delivery by each of the parties of customary closing documents.

The common shares of the Company were halted effective February 18, 2020 and are not expected to recommence trading on the TSXV prior to delisting in connection with the completion of the Transaction. The Transaction is anticipated to close on or before October 30, 2020. The Transaction is an arms-length transaction.

None of the securities to be issued pursuant to the Transaction have been or will be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and any securities issued pursuant to the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Resulting Issuer Board and Management

It is intended that concurrent with the closing of the Transaction, the board of directors and management of the Company will be reconstituted. The first directors of the Resulting Issuer will be Ben Nikolaevsky, Doug Benville, Yana Popova, Sean Bromley and Dwight Duncan. The first officers of the Resulting Issuer will be Ben Nikolaevsky as Chief Executive Officer, Doug Benville as Chief Operating Officer, and Yana Popova as Chief Financial Officer and Corporate Secretary. Additional biographic information about the proposed directors and officers of the Resulting Issuer is provided below.

Ben Nikolaevsky – Chief Executive Officer and Director

Mr. Nikolaevsky holds over a decade of experience in corporate leadership roles across the natural products, agriculture and cannabis sectors. Under his recent leadership as President & CEO of Natura Naturals Inc., a private Canadian cannabis Licensed Producer, the company was acquired by Tilray Inc. Prior to Natura, he was president & CEO of Blue Goose Capital Corp. Mr. Nikolaevsky served as Market Vice President, National Accounts at CIBC and as Chief Credit Officer & Capital Markets Manager at IBM Global Financing Canada. Mr. Nikolaevsky holds a B.A. (Economics – York University) and is a Certified Financial Auditor (Commercial Finance Association, New York, NY).

Doug Benville – Chief Operating Officer and Director

Doug Benville has been with Pure Extracts since its inception. He has several years of experience in the cannabis space, previously having worked as an extraction consultant in the legal recreational cannabis space for the last few years. He also acted as a cultivation consultant to patients growing and extracting under ACMPR licensing. Mr. Benville is highly proficient in cannabis cultivation, system operations and oil extraction.

Yana Popova – Chief Financial Officer, Corporate Secretary and Director

Ms. Popova has over 13 years of accounting experience working with private and public companies. Throughout her career, she has acted as an accountant to multiple private and public companies. Ms. Popova was an accountant at Platinum Group Metals Ltd., a mining company focused on the production of platinum and palladium in South Africa, from January 2015 to September 2017. Ms. Popova is a current CFO and director of the Corporation (since August 2018), formerly a shell company. Ms. Popova holds a Bachelor

of Commerce and Economics degree from the University of Toronto, from which she graduated in 2005, and is a holder of the CPA designation.

Sean Bromley – Director

Sean Bromley is currently an independent consultant to private and public companies. Mr. Bromley has been a director of numerous publicly listed companies. Mr. Bromley is a former investment advisor and holds a Bachelor of Commerce degree, with a specialization in Finance, from the University of Calgary.

Dwight Duncan – Director

Mr. Duncan serves as a Senior Strategic Advisor at McMillan LLP, a large Canadian full service business law firm. Mr. Duncan also serves as a Principal of McMillan Vantage, the firm's wholly owned public policy advisory firm. Mr. Duncan also Chairs the Board of Directors of the Windsor Detroit Bridge Authority, the federal crown corporation overseeing the construction and operation of the \$5.7 billion Gordie Howe International Bridge. Mr. Duncan was formerly a Member of the Ontario Legislature, where he served as Deputy Premier, Minister of Finance, Chair of the Management Board of Cabinet, Chair of Cabinet, Government House Leader, Minister of Energy, Minister of Revenue, Minister of Government Services and Opposition House Leader. Mr. Duncan currently sits on the Board of Directors, and Chairs the Audit Committees, of Travelers Insurance Canada and the Dominion General Insurance Company. In addition he sits on the Boards of Directors of Crown Crest Trust, and the Global Risk Institute. Mr. Duncan holds a Bachelor of Commerce (Hons) and MBA (University of Windsor) as well as a B.A. (Economics – McGill University).

This material change report contains forward-looking statements relating to timing and completion of the Transaction, the future operations of the Company, Pure Extracts, and the Resulting Issuer and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the Transaction and the future plans and objectives of the Company, Pure Extracts and the Resulting Issuer are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the expectations of the Company, Pure Extracts, and the Resulting Issuer include the failure to satisfy the conditions to completion of the Transaction set forth above and other risks detailed from time to time in the filings made by the Company, Pure Extracts and the Resulting Issuer under securities regulations.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, Pure Extracts and the Resulting Issuer. As a result, the Company, Pure Extracts and the Resulting Issuer cannot guarantee that the Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual

results may differ materially from those anticipated. Forward-looking statements contained in this material change report are expressly qualified by this cautionary statement. The forward-looking statements contained in this material change report are made as of the date of the news release dated October 21, 2020 and the Company, Pure Extracts and the Resulting Issuer will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officers

The following officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Sean Bromley, Chief Executive Officer
Telephone: 778-985-8934

Item 9. Date of Report

DATED at Vancouver, British Columbia, this 28th day of October, 2020.