

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Meadow Bay Gold Corporation (the “**Company**” or “**Meadow Bay**”)
Suite 210 - 905 West Pender Street,
Vancouver British Columbia V6C 1L6

Item 2 Date of Material Change

June 27, 2019

Item 3 News Release

A news release dated June 28, 2019 was disseminated through various approved public media and filed on SEDAR with applicable securities commissions of British Columbia, Alberta and Ontario.

Item 4 Summary of Material Change(s)

The Company entered into an Amalgamation Agreement (the “**Amalgamation Agreement**”) with Mountain Valley MD Inc. (“**MVMD**”) and 2700915 Ontario Inc. (“**Subco**”), a wholly-owned subsidiary of the Company, pursuant to which the Company will acquire all of the outstanding shares of MVMD in exchange for common shares of the Company (post 8-1 consolidation) on a one for one basis (the “**Proposed Transaction**”). The Proposed Transaction constitutes a fundamental change of Meadow Bay pursuant to the policies of the Canadian Securities Exchange (the “**CSE**”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company entered into an Amalgamation Agreement with MVMD and Subco, a wholly-owned subsidiary of the Company, pursuant to which the Company will acquire all of the outstanding shares of MVMD in exchange for common shares of the Company (post 8-1 consolidation) on a one for one basis. The Proposed Transaction constitutes a fundamental change of Meadow Bay pursuant to the policies of the CSE.

Mountain Valley MD Inc. is a private Ontario corporation, with innovative investments in the global cannabis sector focused on developing and optimizing the world’s leading medicinal cannabis ecosystem. MVMD focuses on the areas of research and development, manufacturing and marketing through strategic acquisitions and partnerships, for the purposes of generating a market-leading portfolio of high quality, vertically-integrated, sustainable cannabis assets.

MVMD, through its wholly owned subsidiary, holds an application with Health Canada for a licence to produce and sell high-quality strains of medical grade cannabis in British Columbia.

MVMD also owns 25% of Sativa Nativa S.A.S, a federally licensed cannabis producer in Colombia focused on the large-scale organic production of greenhouse cannabis flower and resin for local and international distribution.

MVMD has approximately 70.6 million Class "A" common voting shares and 132,520,307 Class "B" common shares, 8,288,500 stock options and 50,054,159 warrants issued and outstanding, all convertible securities to be exchangeable or convertible into common shares of the Meadow Bay upon completion of the Proposed Transaction in accordance with their terms. Pursuant to the terms of the Amalgamation Agreement, MVMD is entitled to issue additional securities prior to the completion of the Proposed Transaction in connection with additional agreements into which it has entered or may enter.

In 2019 MVMD completed private placements in excess of \$10,000,000. Prior to or concurrently with completion of the Proposed Transaction, MVMD intends to complete one or more private placement financings (the "**MVMD Private Placement**") on terms and conditions acceptable to the CSE and to be determined and disclosed hereafter.

Pursuant to the terms of the Amalgamation Agreement, MVMD is to provide a bridge loan financing (the "**Bridge Loan Financing**") to Meadow Bay of \$350,000 by way of the purchase of 350 Meadow Bay convertible debenture units (the "**Convertible Debenture Units**"), with each such unit being comprised of one secured convertible debenture (a "**Convertible Debenture**") in the principal amount of \$1,000 and 1,000 share purchase warrants (the "**Convertible Debenture Warrants**"). Each Convertible Debenture Warrant is to entitle the holder thereof to acquire one common share of Meadow Bay at a price of \$0.06 (\$0.48 per share on a post-consolidation basis) per share for a period of five years subject to CSE approval. Each Convertible Debenture is to have a maturity date of four years, with an interest rate of 10% per annum, with the principal and accrued interest to be convertible into units ("**Conversion Units**") at a price of \$0.05 per unit (\$0.40 on a post-consolidation basis). Each Conversion Unit is to consist of one common share of Meadow Bay and one share purchase warrant (a "**Conversion Warrant**"), with each Conversion Warrant entitling the holder to acquire one common share of Meadow Bay at a price of \$0.06 per share for a period of five years. In addition, Meadow Bay may offer up to an additional 150 Convertible Debenture Units to raise additional gross proceeds of \$150,000, subject to MVMD having a right of first refusal to subscribe for such units. The aforementioned Bridge Loan Financing is subject to a 7% loan administration fee payable by Meadow Bay to or as directed by MVMD. The proceeds of the Bridge Loan Financing will be used to pay Meadow Bay's professional fees and working capital expenditures.

It is anticipated that upon completion of the Proposed Transaction, all of the directors and officers of Meadow Bay will resign and will be replaced with nominees of MVMD.

The principal terms of the Proposed Transaction are as follows:

1. Meadow Bay will complete an 8:1 share consolidation (the "**Consolidation**"). The effect of the proposed Consolidation will be to reduce the number of common shares issued and outstanding from 50,056,229 pre-consolidated common shares to 6,257,029 post-consolidated common shares.
2. Meadow Bay will change its name to "Mountain Valley MD Inc." or as otherwise agreed to by the parties.

3. The Proposed Transaction will be structured as a triangular amalgamation. Under the terms of the Amalgamation Agreement, MVMD will amalgamate with Subco and as part of the amalgamation, Meadow Bay will acquire all of the outstanding shares of MVMD in exchange for post-consolidation common shares of Meadow Bay ("**Resulting Issuer Shares**") on a one for one basis.

Trading in the Meadow Bay common shares on the CSE is halted at present.

The Proposed Transaction is an arms-length transaction.

The completion of the Proposed Transaction will result in the acquisition by Meadow Bay of MVMD in consideration for the issuance of one Meadow Bay common share for each MVMD common share. The total acquisition cost to Meadow Bay for the Proposed Transaction will not be known until closer to closing but will be disclosed in a news release when known.

Meadow Bay and MVMD intend to seek shareholder approval for the Proposed Transaction and related matters to the extent required.

The completion of the Proposed Transaction will be subject to certain conditions precedent, including the following:

1. Meadow Bay shall have completed the Consolidation;
2. the receipt of approval of the CSE of the Amalgamation, subject to the usual CSE conditions;
3. the name of Meadow Bay will have changed to "Mountain Valley MD Inc." or such other name agreed by the parties; and
4. the Amalgamation shall have been approved by the shareholders of MVMD and Meadow Bay.

If MVMD terminates the Amalgamation Agreement as a result of Meadow Bay's breach of any of its representations, warranties or covenants therein in any material respect and such breach is not curable or cured within five business days after receipt of notice, and Meadow Bay subsequently consummates an alternative transaction within one year of the date of termination of the Amalgamation Agreement, then Meadow Bay shall be required to pay a break fee to MVMD in the amount of \$500,000.

A finder's fee equal to 3% of the total issued and outstanding common shares of Meadow Bay (post-Consolidation and after giving effect to the transactions pursuant to the Amalgamation) are to be issued to certain third parties.

Completion of the Proposed Transaction is subject to a number of conditions, including CSE acceptance and shareholder approval. The Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

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

Not applicable.

Item 8 Executive Officer

Attention: Robert Dinning
Email: Bob@meadowbaygold.com

Item 9 Date of Report

July 8, 2019