

FORM 51-102F3

Material Change Report

1. Name and Address of Company:

Chemistree Technology Inc..
P.O. Box 10322, Pacific Centre
Suite 810 – 609 Granville Street
Vancouver, BC V7Y 1G5

(the "Company")

2. Date of Material Change:

June 25, 2018

3. News Release:

A news release was disseminated on June 25, 2018 and was subsequently filed on SEDAR.

4. Summary of Material Change:

Chemistree Technology Inc. (Canadian Securities Exchange: CHM) (US OTCQB: CHMJF) (the "Company" or "Chemistree") is pleased to announce that effective June 25, 2018, it has closed the first tranche of the non-brokered private placement as announced May 11, 2018 and as amended June 22, 2018, in the amount of \$2,559,820.

5. Full Description of Material Change:

Chemistree Technology Inc. (Canadian Securities Exchange: CHM) (US OTCQB: CHMJF) (the "Company" or "Chemistree") is pleased to announce that that effective June 25, 2018, it has closed the first tranche of the non-brokered private placement as announced May 11, 2018 and as amended June 22, 2018, in the amount of \$2,559,820.

The first tranche was comprised of 7,313,771 units, issued at \$0.35 per unit for gross proceeds of \$2,559,820. Each unit consists of one common share and one common share purchase warrant; each warrant will entitle the holder to acquire one additional common share for 50 cents for a period of 24 months after closing of the private placement. The warrants are subject to an acceleration provision whereby if the closing market price of the common shares of the company on the Canadian Securities Exchange is greater than 60 cents per common share for a period of 10 consecutive trading days, then the company may deliver a notice to the holders of warrants notifying the holders that the warrants must be exercised within 30 calendar days from the date of the acceleration notice, otherwise the warrants will expire at 4 p.m. PT on the 30th calendar day after the date of the acceleration notice.

The Company also issued 438,464 Finder's Warrants in connection with the placement and the warrants will have the same terms as the common share purchase warrants included in the

placement units. Securities issued under the placement are subject to a four-month hold period, which will expire four months from the date of closing.

Immediately following this private placement issuance, the Company has 28,652,976 common shares issued and outstanding.

The net proceeds of the private placement will be added to general working capital, some of which are expected to be deployed to close the Washington asset acquisition. However, the closing of the private placement is not conditional upon the completion of the Washington asset acquisition, and the Company will have discretion to use the proceeds differently if it believes it is in its best interests to do so.

The units, common shares and Warrants 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 U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the units, common shares or Warrants, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Company wishes to inform shareholders that there are significant legal restrictions and regulations that govern the cannabis industry in both Canada and the United States.

Cannabis-related Practices or Activities are Illegal Under U.S. Federal Laws

The concepts of “medical cannabis” and “recreational cannabis” do not exist under U.S. federal law. The Federal Controlled Substances Act classifies “marihuana” as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Enforcement of U.S. federal laws will be a significant risk to the business of the Company following the completion of the acquisitions, and any such proceedings brought against the Company may adversely affect the Company’s operations and financial performance.

Further information regarding the legal status of cannabis related activities and associated risk factors, including, but not limited to, risk of enforcement actions, risks that third party service providers, such as banking or financial institutions cease providing services to the Company, and the risk that Company may not be able to distribute profits, if any, from U.S. operations up to the Company, will be included in the Form 2A listing statement to be filed with the CSE.

For more information, please contact Paul Searle at (778) 240-7724 or by email at paul@chemistree.ca.

6. **Reliance on Subsection 7.1(2) of the National Instrument 51-102 *Continuous Disclosure Obligations*:**

Not applicable.

7. **Omitted Information:**

Not applicable.

8. **Executive Officer Knowledgeable of Material Change:**

Douglas Ford, CFO
Telephone: (604) 689-7422

9. **Date of Report:**

June 25, 2018

AVANTI ENERGY INC.

By: “Douglas Ford”
Chief Financial Officer
(Official Capacity)
Douglas Ford
(Please print here name of individual whose
signature appears above.)