

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

Item 1. Name and Address of Reporting Issuer

Chemistree Technology Inc. (“**Chemistree**” or the “**Company**”)  
P.O. Box 10322, Pacific Centre  
Suite 810 – 609 Granville Street  
Vancouver, BC V7Y 1G5

Item 2. Date of Material Change

March 29, 2019

Item 3. News Release

A press release announcing the material change referred to in this report was released on March 29, 2019 through Canada Newswire and a copy was subsequently filed on SEDAR.

Item 4. Summary of Material Change

On March 29, 2019, the Company announced that it had closed its previously announced short form prospectus offering (the “**Brokered Offering**”) and concurrent private placement (the “**Concurrent Private Placement**”) of 10% unsecured debenture units (the “**Debenture Units**”) of the Company, for total gross proceeds of \$10,830,000. The Brokered Offering was conducted on a “best efforts” basis pursuant to an agency agreement (the “**Agency Agreement**”) between the Company and Canaccord Genuity Corp. (the “**Agent**”) dated March 22, 2019, as amended.

Pursuant to the Brokered Offering, which included the exercise of the over-allotment option in full, the Company issued an aggregate of 9,430 Debenture Units at a price of \$1,000 per Debenture Unit (the “**Offering Price**”) for aggregate gross proceeds of \$9,430,000.

Concurrent with the Brokered Offering, the Company issued an aggregate of 1,400 Debenture Units at the Offering Price, for aggregate gross proceeds of \$1,400,000, on a private placement basis. All securities issued in connection with the Concurrent Private Placement are subject to a prescribed four month plus one day hold period expiring July 30, 2019.

Item 5. Full Description of Material Change

On March 29, 2019, the Company announced that it had closed its previously announced Brokered Offering and Concurrent Private Placement of Debenture Units, for total gross proceeds of \$10,830,000.

Pursuant to the Brokered Offering, which included the exercise of the over-allotment option in full, the Company issued an aggregate of 9,430 Debenture

Units at the Offering Price for aggregate gross proceeds of \$9,430,000. Each Debenture Unit consists of (i) one 10% unsecured convertible debenture of the Company in the principal amount of \$1,000 (each, a “**Debenture**”) with interest payable semi-annually in arrears on June 30 and December 31 of each year, commencing June 30, 2019 and maturing March 29, 2022 (such date, the “**Maturity Date**”), and (ii) 2,000 common share purchase warrants of the Company (each, a “**Warrant**”), each exercisable until the Maturity Date to purchase one common share of the Company (each, a “**Warrant Share**”) at an exercise price of \$0.70 per Warrant Share, subject to adjustment in certain events.

Concurrent with the Brokered Offering, the Company issued an aggregate of 1,400 Debenture Units at the Offering Price, for aggregate gross proceeds of \$1,400,000, on a private placement basis. All securities issued in connection with the Concurrent Private Placement are subject to a prescribed four month plus one day hold period expiring July 30, 2019.

The Brokered Offering was conducted on a “best efforts” basis pursuant to the Agency Agreement between the Company and the Agent.

In connection with the Brokered Offering, the Company: (i) paid the Agent a cash commission equal to 7.0% of the gross proceeds of the Offering; (ii) paid the Agent a corporate finance fee of \$150,000, of which \$75,000 was paid in cash and \$75,000 was satisfied through the issuance of 150,000 Common Shares; (iii) issued the Agent non-transferable broker warrants (the “**Broker Warrants**”) to purchase 1,320,000 units of the Company (the “**Broker Units**”) at an exercise price of \$0.50 per Broker Unit; and (iv) paid the Agent a fiscal advisory fee comprised of \$14,000 in cash and the issuance of 14,000 Broker Warrants.

Each Broker Unit consists of one common share of the Company (each, a “**Broker Unit Share**”) and one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a “**Broker Unit Warrant**”). Each Broker Unit Warrant will be exercisable to acquire one common share of the Company (each, a “**Broker Warrant Share**”) at any time up until the Maturity Date at an exercise price of \$0.70 per Broker Warrant Share, subject to adjustment in certain events.

In connection with the Concurrent Private Placement, the Company: (i) paid certain finders (each, a “**Finder**”) a cash commission equal to 7.0% of the gross proceeds; and (ii) issued to such Finders an aggregate of 140,000 Broker Warrants.

The Company intends to use the net proceeds of the Brokered Offering and the Concurrent Private Placement to: (i) expand its facilities in Washington State; (ii) expand its brands in California, including the launch of “Sugarleaf” branded products; (iii) continue the licensing, development, and ultimately the build-out, of the Company’s property in Desert Hot Springs, California; and (iv) for working capital and general corporate purposes.

The Company has made the required filings to list the Warrants, Broker Unit Warrants, Debenture Shares, Warrant Shares, Broker Unit Shares, and Broker

Warrant Shares on the Canadian Securities Exchange (the “CSE”). Listing will be subject to the fulfilment of all of the listing requirements of the CSE.

The Debenture Units, Debentures, Warrants, Debenture Shares, Warrant Shares, Broker Warrants, Broker Units, Broker Unit Shares, Broker Unit Warrants and Broker Warrant Shares 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 Debenture Units, Debentures, Warrants, Debenture Shares, Warrant Shares, Broker Warrants, Broker Units, Broker Unit Shares, Broker Unit Warrants or Broker Warrant Shares, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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

Not applicable.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

Chemistree Technology Inc.  
Karl Kottmeier, President  
Phone: 604-678-8941

Item 9. Date of Report

March 29, 2019