

**FORM 51-102F3**

**Material Change Report**

**1. Name and Address of Company:**

Chemistree Technology Inc.  
#204 – 998 Harbourside Drive  
North Vancouver, BC V7P 3T2  
(the "Company")

**2. Date of Material Change:**

July 30, 2021

**3. News Release:**

News releases were disseminated on July 30, 2021 and was subsequently filed on SEDAR.

**4. Summary of Material Change:**

Chemistree Technology Inc. (Canadian Securities Exchange: CHM and CHM.WT) (US OTCQB: CHMJF) (the “Company” or “Chemistree”) announced that through its indirect, wholly-owned California subsidiary, the Company has completed the sale of its 9.55 acre land package located in the City of Desert Hot Springs, Riverside County, California (the “DHS property”). Gross consideration for sale was US\$1,957,000.

**5. Full Description of Material Change:**

Chemistree Technology Inc. (Canadian Securities Exchange: CHM and CHM.WT) (US OTCQB: CHMJF) (the “Company” or “Chemistree”) announced that through its indirect, wholly-owned California subsidiary, the Company has completed the sale of its 9.55 acre land package located in the City of Desert Hot Springs, Riverside County, California (the “DHS property”). Gross consideration for sale was US\$1,957,000.

The DHS property was acquired in 2019 as raw land, and over the course of the intervening two years the Company’s development team advanced the land to a shovel-ready state. Advanced planning, permitting, and engineering work was completed – together with the required anthropological and environmental studies. In conjunction with the sale, the Company has negotiated a back-in option agreement with the purchaser, such that as the purchaser advances the construction of the project, re-named “AMP Industrial Park”, the Company has the unilateral option to acquire a new 16,460 square-foot cannabis production and processing building at a predetermined price.

Chemistree president Karl Kottmeier commented, “The property was sold at a significant profit to the Company. We purchased the DHS property prior to a dramatic downturn in the cannabis market and found, despite the excellent development work by our California team led by our Chief Cannabis Officer Sheldon Aberman, that the project had become essentially

un-financeable given the drastic increase in the cost of capex and opex capital. We persevered with the development plan, held the project in good standing throughout and have now turned a profit from this investment. This is an important capital infusion for the Company and will allow management and the Board of Directors to better plan for future investments.”

#### **About Chemistree Technology Inc.**

Chemistree Technology Inc. is an investment company with holdings in the U.S. cannabis sector, real estate, and a consumer-targeted biotechnology venture. The Company's corporate strategy is to focus on opportunistic investments across a broad range of industries, and is seeking to invest in early stage, promising companies where it may be the lead investor and can additionally provide investees with advisory services, mentoring and access to the Company's management expertise. For more information, visit [www.Chemistree.ca](http://www.Chemistree.ca)

#### **Advisory**

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 defence 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 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, are included in the Prospectus, the Company's annual information form and other documents incorporated by reference therein and in the Company's Form 2A listing statement filed with the CSE and available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com)

#### **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) 678-8941

9. **Date of Report:**

July 30, 2021

**CHEMISTREE TECHNOLOGY INC.**

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