

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

**Item 1            Name and Address of Company**

Harrys Manufacturing Inc. (the “**Company**”)  
Suite 1518, 800 West Pender Street  
Vancouver, BC Canada V6C 2V6

**Item 2            Date of Material Change**

November 16, 2018

**Item 3            News Release**

The news release attached hereto as Schedule “A” announcing the material change described herein was disseminated through the news dissemination services of the Newswire on November 16, 2018.

**Item 4            Summary of Material Change**

The Company announced the Company has signed a sales and distribution agreement (“the Agreement”) with Kevin Lee DBA Eurasia Tobacco Products (“the Distributor”) for cigarette sales in both the Asia and European markets and has also granted an aggregate of 4,525,000 incentive stock options to various directors, officers, employees and consultants at a price of \$0.30 for a period of five (5) years.

**Item 5            Full Description of Material Change**

**5.1                Full Description of Material Change**

Please see the press release attached as Schedule “A” for a full description of the material change.

**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**

Michael Young, Chief Executive Officer and Director  
Telephone: (604) 565-5100

**Item 9            Date of Report**

November 16, 2018

# SCHEDULE "A"

The logo for Harrys, featuring the word "HARRYS" in a bold, serif font, centered within a rectangular frame.

## **HARRYS SIGNS SALES & DISTRIBUTION AGREEMENT FOR ASIA AND EUROPEAN MARKETS**

**Vancouver, British Columbia – November 16, 2018** – Harrys Manufacturing Inc. (CSE:HARY) (“**Harrys**” or the “**Company**”), wishes to announce its wholly owned subsidiary Harrys International Manufacturing Inc. has signed a sales and distribution agreement (“the Agreement”) with Kevin Lee DBA Eurasia Tobacco Products (“the Distributor”) for cigarette sales in both the Asia and European markets. The Agreement is currently for two years and allows for the delivery of up to 10 shipping containers of Harrys private label cigarettes per month destined for over 700 convenient stores and other strategic customers located in both the Asia and European markets.

As per the terms of the Agreement the Distributor is required to pay 50% of the purchase order up front, followed by the remaining 50% paid at time of shipping. With the Agreement purchase price set at \$185 per case, each full shipping container (1,000 cases) sold will generate Cdn\$85,000 in gross profit for the Company.

The Company’s CEO, Kevin Kohanik stated, “This is a great opportunity for the Company to increase sales by providing a private label product for penetration into both the Asia and European retail markets.”

### **Grant of Stock Options**

Pursuant to its incentive stock option plan, the Company has granted an aggregate of 4,525,000 Stock Options to certain directors, officers, employees and consultants of the Company. The Stock Options are exercisable for Shares on or before November 16, 2023 at an exercise price of \$0.30 per Share.

### **About Harrys**

Harry’s Manufacturing generates revenues from the sales and distribution of affordable, high quality, organically grown tobacco cigarettes to international customers. Harrys utilizes various types of tobacco and blend components from Canadian growers to satisfy customer demands and preferences for products that meet Health Canada standards. The management team of HIMI brings over 50 years of combined experience in the domestic and international tobacco industry.

### **ON BEHALF OF THE BOARD**

“Kevin Kohanik”

Kevin Kohanik

Director and CEO

### **For more information, please contact:**

Glenn Little, Corporate Communications

Telephone: (604) 565-5100

Glenn@HarrysMFG.com

*The CSE has neither approved nor disapproved the information contained herein.*

*This news release contains forward-looking statements. The Company has provided the forward-looking statements in reliance on assumptions that it believes are reasonable at this time including, without limitation, the Company's ability to fulfill the conditional listing requirements of the Canadian Securities Exchange and its ability to procure the requisite licenses and permits to purchase, manufacture and sell tobacco. The reader is cautioned that the assumptions used in the preparation of the forward-looking statements may prove to be incorrect. All such forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. Such risks and uncertainties include, without limitation: the Company's inability to commence trading on the Canadian Securities Exchange; delays resulting from or inability to obtain the requisite licenses and permits from the applicable regulatory body to purchase, manufacture and sell tobacco products; and the Company's inability to generate revenues from the sales and distribution of cigarettes to international customers. The actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits, including the amount of proceeds, the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive.*