

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Harrys Manufacturing Inc. (the “Company”)
1070 – 1055 West Hastings Street
Vancouver, BC, V6E 2E9

Item 2 Date of Material Change

May 13, 2021

Item 3 News Release

A news release dated May 13, 2021 was disseminated and subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Company completed a non-brokered private placement for gross proceeds of \$423,399.84.

Item 5 Full Description of Material Change

On May 13, 2021, the Company closed a non-brokered private placement comprised of 3,528,332 units of the Company (each, a “Unit”) at \$0.12 per Unit for gross proceeds of \$423,399.84 (the “Offering”). Each Unit consisted of one (1) common share in the capital of the Company (a “Share”) and one (1) transferable common share purchase warrant of the Company (a “Warrant”). Each Warrant is exercisable into one (1) additional Share (a “Warrant Share”) at an exercise price of \$0.20 per Warrant Share on or before May 13, 2023.

In connection with the Offering, the Company paid aggregate cash finder’s fees totaling \$5,280 and issued 44,000 finder’s warrants (the “Finder’s Warrants”) to certain qualified arm’s length finders. Each Finder’s Warrant is exercisable into one (1) Share (a “Finder’s Warrant Share”) at an exercise price of \$0.20 per Finder’s Warrant Share on or before May 13, 2023.

All securities issued in connection with the Offering are subject to a statutory hold period of four months plus a day in accordance with applicable securities legislation ending on September 14, 2021. The Company intends to use the proceeds from the Offering for general working capital purposes and to fund the Company’s entrance into the Canadian tobacco market, including initial product inventory purchases, excise taxes, regulatory security deposit requirements and staffing.

Item 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

The name and telephone number of the officer of the Company who is knowledgeable about the material change and the Material Change Report is:

Michael Young, Chief Financial Officer

Tel: 604-565-5100

Item 9 Date of Report

June 4, 2021