

Form 51-102F3

Material Change Report

Item 1: Name and Address of Company

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

Item 2: Date of Material Changes

February 22, 2023

Item 3: News Release

On February 22, 2023 a news release announcing the material change was disseminated and subsequently filed on SEDAR at www.sedar.com. On March 3, 2023, a correcting news release was disseminated and subsequently filed on SEDAR.

Item 4: Summary of Material Changes

The Company issued 1,805,869 common shares in the capital of the Company (the “**Settlement Shares**”) to a former officer of the Company (the “**Former Officer**”) to settle debts owed to the Former Officer. The Company also issued an aggregate of 3,000,000 stock options (the “**Options**”) to purchase common shares in the capital of the Company (the “**Shares**”) to directors and officers and a consultant of the Company.

Item 5: Full Description of Material Changes

5.1 Full Description of Material Changes

The Company issued the Former Officer 1,805,869 Settlement Shares at a deemed price of \$0.0443 per Settlement Share to settle an aggregate of \$80,000 in outstanding debt owed to the Former Officer. The Shares are subject to a statutory hold period expiring on June 23, 2023 in accordance with applicable Canadian securities laws and the policies of the Canadian Securities Exchange (the “**CSE**”).

The Company issued 3,000,000 Options to directors and officers and a consultant of the Company. Each Option is exercisable for one Share at an exercise price of \$0.05 per Share. The Options expire after three years. The Options vested as of the date of the grant. The Options are subject to the terms of the Company’s Stock Option Plan, any regulatory approvals and are subject to a statutory hold period expiring on June 23, 2023 in accordance with applicable Canadian securities laws and the policies of the CSE.

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

Ken Storey, Chief Executive Officer
Telephone: 604-565-5100

Item 9: Date of Report

March 7, 2023

Cautionary Note Regarding Forward-Looking Statements: This material change report includes certain statements and information that may constitute “forward-looking information” within the meaning of applicable Canadian securities laws. All statements in this material change report, other than statements of historical facts, including statements regarding future estimates, plans, objectives, timing, assumptions or expectations of future performance, are forward-looking statements and contain forward-looking information. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as “intends” or “anticipates”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would” or “occur”. Forward-looking statements are based on certain material assumptions and analysis made by the Company and the opinions and estimates of management as of the date of this material change report. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. Important factors that may cause actual results to vary include, without limitation: uncertainties affecting the Company’s expected use of proceeds, the Company’s ability to enter the Canadian tobacco market and the Company’s ability to obtain any required provincial and federal licenses and registrations to operate in the tobacco industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial outlook that are incorporated by reference herein, except as required by applicable securities laws.