

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

Item 1: Name and Address of Company

Canada Coal Inc. (the “**Canada Coal**” or “**Corporation**”)
5213 Durie Road
Mississauga, Ontario
L5M-2C6

Item 2: Date of Material Change

November 24, 2020.

Item 3: News Release

A news release was issued and disseminated on November 25, 2020 and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Change

The Corporation announced that it has entered into a definitive business combination agreement (the “**Combination Agreement**”) dated November 24, 2020 with Ayurcann Inc. (“**Ayurcann**”) which, subject to certain conditions and applicable shareholder and regulatory approvals, will result in a reverse takeover of Canada Coal (the “**Proposed Transaction**”).

It is currently anticipated that the Proposed Transaction will be effected by way of a three-cornered amalgamation involving Ayurcann and 12487772 Canada Inc., a wholly-owned subsidiary of Canada Coal (“**Subco**”). The resulting issuer that will exist upon completion of the Proposed Transaction (the “**Resulting Issuer**”) intends to apply to the Canadian Securities Exchange (“**CSE**”) for approval for listing its common shares on the CSE. The Proposed Transaction is an arm’s length transaction.

Item 5.1: Full Description of Material Change

Under the terms of the Combination Agreement, the Proposed Transaction will be completed by way of a “three-cornered amalgamation” under the provisions of the *Canada Business Corporations Act*, whereby Subco will amalgamate with Ayurcann and continue as one amalgamated corporation as a wholly-owned subsidiary of Canada Coal. In connection with the Proposed Transaction, Canada Coal will reconstitute its board of directors and change its name to “Ayurcann Inc.” or such other similar name as determined by Ayurcann and acceptable to the relevant regulatory authorities and the Resulting Issuer will carry on the business of Ayurcann under the new name.

Pursuant to the Proposed Transaction, Canada Coal will consolidate all of its common shares (“**CCK Shares**”) on the basis of two (2) CCK Shares for each one (1) CCK post-consolidation share (“**CCK Post-Consolidation Share**”). Holders of outstanding Class “A” Common Shares in the capital of Ayurcann (“**Ayurcann Shares**”) shall receive a number of CCK Post-Consolidation Shares for each one (1) Ayurcann Share held in accordance with the Exchange Ratio (as defined below) and the Ayurcann Shares will be cancelled. If Ayurcann has received a sale for medical purposes licence from Health Canada (“**First Earn-Out Trigger**”) prior to closing, then the Exchange Ratio will be equal to 1.4695 CCK Post-Consolidation Shares for each one (1)

Ayurcann Share, and if the First Earn-Out Trigger has not been met, then the Exchange Ratio will be 1.2858 CCK Post-Consolidation Shares for each one (1) Ayurcann Share (the “**Exchange Ratio**”).

In addition to the CCK Post-Consolidation Shares that the holders of Ayurcann Shares are eligible to receive on closing of the Proposed Transaction, CCK will also be required to pay an earn-out to the holders of Ayurcann Shares if certain events occur within a five year period following the closing date (the “**Sunset Date**”). If the First-Earn Out Trigger occurs after the closing date but before the Sunset Date, then the Resulting Issuer will issue a number of CCK Post-Consolidation Shares equal to \$2,000,000 divided by the greater of (i) \$0.05 and (ii) the ten (10) day volume weighted average trading price of the CCK Post-Consolidation Shares on the CSE prior to the date of the First Earn-Out Trigger. If Ayurcann makes certain upgrades to its licensed facility (“**Second Earn-Out Trigger**”) prior to the Sunset Date, then the Resulting Issuer will issue a number of CCK Post-Consolidation Shares equal to \$1,000,000 divided by the greater of (i) \$0.05 and (ii) the ten (10) day volume weighted average trading price of the CCK Post-Consolidation Shares on the CSE prior to the date of the Second Earn-Out Trigger.

The Combination Agreement includes a number of conditions, including but not limited to, requisite shareholder approvals, conditional approval for delisting Canada Coal’s shares from the TSX Venture Exchange (the “**TSXV**”) and approval for listing on the CSE, approvals of all regulatory bodies having jurisdiction in connection with the Proposed Transaction, and other closing conditions customary to transactions of the nature of the Proposed Transaction.

Canada Coal is a reporting issuer under the securities laws of the Provinces of Alberta, British Columbia and Ontario. Upon completion of the Proposed Transaction, Canada Coal will delist its shares from the NEX board of the TSXV and list the CCK Post-Consolidation Shares on the CSE.

Investors are cautioned that, except as disclosed in the listing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Management of the Resulting Issuer

Upon closing of the Proposed Transaction, all of Canada Coal’s current directors and executive officers will resign and the board of directors and executive officers of the Resulting Issuer will be comprised of the nominees of Ayurcann. Details of the proposed directors and executive officers of the Resulting Issuer will be disclosed in a further news release.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7: Omitted Information

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

Item 8: Executive Officer

For additional information with respect to this material change, the following person may be contacted:

Olga Nikitovic
Interim Chief Executive Officer
Telephone: 905-813-8952
Email: olga.nikitovic@sympatico.ca

Item 9: Date of Report

November 26, 2020.