

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

**Item 1      Name and Address of Company**

Ayurcann Holdings Corp. (formerly, Canada Coal Inc.) (the “**Company**”)  
1080 Brock Rd., Unit 6  
Pickering, Ontario L1W 3H3

**Item 2      Date of Material Changes**

March 26, 2021.

**Item 3      News Releases**

A news release was issued by the Company through the facilitates of Newsfile Corp. on March 26, 2021 and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4      Summary of Material Change**

On March 26, 2021, the Company announced that it has completed its previously announced business combination with Ayurcann Inc. (“**Ayurcann Private**”) and 12487772 Canada Inc. (“**124 Canada**”), a wholly owned subsidiary of the Company (the “**Transaction**”). The common shares of the Company (“**Ayurcann Shares**”) are expected to commence trading on the Canadian Securities Exchange (the “**CSE**”) under the symbol “AYUR”.

Prior to the closing of the Transaction, the Company consolidated the issued and outstanding Ayurcann Shares on the basis of one (1) post-consolidation Ayurcann Share for every two (2) pre-consolidation Ayurcann Shares (the “**Consolidation**”) and changed its name from “Canada Coal Inc.” to “Ayurcann Holdings Corp.” (the “**Name Change**”). In accordance with the terms of the Transaction, the Company purchased all of the issued and outstanding common shares of Ayurcann Private (each, an “**Ayurcann Private Share**”) on the basis of 1.4695 post-Consolidation Ayurcann Shares for each one (1) Ayurcann Private Share outstanding immediately prior to the Transaction.

**Item 5.1      Full Description of Material Change**

On March 26, 2021, the Company announced that it has completed its previously announced Transaction whereby the Company acquired Ayurcann Private. Prior to completing the Transaction, the Company effected the Name Change and the Consolidation. The Ayurcann Shares are expected to commence trading on the CSE under the symbol “AYUR” upon completion of the CSE listing requirements.

Overview of the Transaction

The Transaction was completed by way of a three-cornered amalgamation (the “**Amalgamation**”) with Ayurcann Private and 124 Canada where the Company

purchased all of the Ayurcann Private Shares on the basis of 1.4695 post-Consolidation Ayurcann Shares for each one (1) Ayurcann Private Share outstanding immediately prior to the Amalgamation.

#### Commencement of Trading

The CSE conditionally approved the listing of the Ayurcann Shares in connection with the Transaction. Listing is subject to the Company fulfilling all listing requirements of the CSE. Subject to final approval, the Ayurcann Shares are anticipated to commence trading on the CSE under the ticker symbol "AYUR" upon satisfaction of all listing requirements.

#### New Board and Management

Upon closing of the Transaction, the board of directors and management of the Company were reconstituted as follows:

- Igal Sudman - Chairman, Chief Executive Officer and Corporate Secretary
- Roman Buzaker - President, Chief Financial Officer, Chief Operating Officer and Director
- Maor Shayit - Director
- David Hackett - Director
- Alison Gordon - Director

#### Capitalization

Upon completion of the Transaction, the Company now has 100,973,833 issued and outstanding post-Consolidation Ayurcann Shares. Assuming that all of the issued and outstanding options and warrants of the Company were exercised, the Company would have 119,302,027 post-Consolidation Ayurcann Shares issued and outstanding on a fully diluted basis. 55,702,498 of the post-Consolidation Ayurcann Shares are subject to escrow pursuant to the policies of the CSE and will be released from escrow based on the passage of time, such that 10% of the post-Consolidation Ayurcann Shares will be released upon listing and the balance will be released in six equal tranches of 15% every six months thereafter.

#### Corporate Update

The Company also announced that the phase 2 build out of its Pickering facility has begun and it is anticipated to be completed in the second quarter of 2021.

#### Early Warning Disclosure

Upon completion of the Transaction:

- Igal Sudman, Chairman, Chief Executive Officer and Corporate Secretary of the Company, holds, directly or indirectly, or exercises control or direction over an aggregate of 23,816,919 post-Consolidation Ayurcann Shares, and warrants exercisable for the purchase of 367,374 post-Consolidation Ayurcann Shares, representing 23.59% of the issued and

outstanding post-Consolidation Ayurcann Shares on a non-diluted basis, and 23.86% on a partially diluted basis.

- Roman Buzaker, President, Chief Financial Officer, Chief Operating Officer and Director of the Company, holds, directly or indirectly, or exercises control or direction over an aggregate of 23,144,624 post-Consolidation Ayurcann Shares, representing 22.92% of the issued and outstanding Post- Consolidation Shares on a non-diluted basis.
- Weed Me Inc. holds, directly or indirectly, or exercises control or direction over an aggregate of 14,930,120 post-Consolidation Ayurcann Shares, and warrants exercisable for the purchase of 1,469,500 post-Consolidation Ayurcann Shares, representing 14.79% of the issued and outstanding post-Consolidation Ayurcann Shares on a non-diluted basis, and 16.01% on a partially-diluted basis.

Prior to the Transaction, none of the above-named persons beneficially owned, or exercised control or direction over, any securities of the Company.

**Item 5.2 Disclosure for Restructuring Transactions**

For further information with respect to the Transaction and the business of the Company, please refer to the listing statement of the Company, which is incorporated by reference into this material change report and will be filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) upon final approval from the CSE.

**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**

For further information:

Igal Sudman, Chairman, Chief Executive Officer and Corporate Secretary  
905.492.3322 x 301  
[igal@xtrx.ca](mailto:igal@xtrx.ca)

**Item 9 Date of Report**

April 5, 2021

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

*This material change report contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this material change report. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is*

*expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward- looking statements. In this material change report, forward-looking statements relate, among other things, to the timing of the commencement of trading on the CSE and the business and operations of the Company. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board, shareholder or regulatory approvals. 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 the forward-looking statements and information contained in this material change report. Except as required by law, the Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.*