

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

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

Item 2: Date of Material Change

October 6, 2021, and October 8, 2021.

Item 3: News Release

A news release was issued by the Company via Newsfile Corp. and filed on SEDAR at www.sedar.com, a copy of which is attached hereto as Schedule “A”.

Item 4: Summary of Material Change

On October 6, 2021, the Company closed a non-brokered private placement of 7,710,354 units (each, a “Units”) of the Company (the “Offering”) at a price of \$0.18 per Unit for gross proceeds of approximately \$1,387,863.72. Each Unit consisted of one (1) common share in the capital of the Company (each, a “Common Share”) and one (1) Common Share purchase warrant (each, a “Warrant”). Each Warrant entitles the holder thereof to purchase one (1) Common Share at an exercise price of \$0.22 for a period of the earlier of: (a) thirty six (36) months from the date of the closing of the Offering (the “Closing”); or (b) if, at any time after the Closing, the closing price of the Common Shares on the Canadian Securities Exchange (the “CSE”) is at least \$0.70 for a minimum of ten (10) consecutive trading days, the Company may, upon providing written notice to the holders of the Warrants, accelerate the expiry date of the Warrants to the date that is at least thirty (30) days following the date of such written notice (the “Acceleration Provision”).

In connection with the Offering, eligible finders received \$17,747.28 in cash and 98,594 broker warrants (each, a “Broker Warrant”). Each Broker Warrant entitles the holder thereof to purchase one (1) Common Share at an exercise price of \$0.22 for a period of thirty-six (36) months from the Closing, subject to the Acceleration Provision.

The Corporation intends to use the net proceeds of the Offering for general working capital for business, corporate, research and development. All securities issued in connection with the Offering are subject to a four (1) month and one (1) day hold period under applicable securities laws.

In addition, on October 6, 2021, the Company entered into a non-exclusive issuer trading services agreement (the “Trading Agreement”) with Generation IACP Inc. (“GIACP”) for the purpose of providing trading services and contributing to the market liquidity of the Common Shares on the CSE (the “Services”).

Under the Trading Agreement, GIACP will provide the Services for an initial term of six (6) months (the “Initial Term”) at a monthly fee of CAD\$7,500, plus applicable taxes. The Initial Term shall be automatically renewed for subsequent six (6) month periods unless terminated in accordance with the Trading Agreement. The Company and GIACP act at arm’s length from one another, and to the best knowledge of the Company, GIACP has no present interest, directly or indirectly, in the securities of the Company.

On October 8, 2021, the Company granted an aggregate of 1,253,125 restricted share units (each an, “RSU”) to certain directors, officers, employees, and consultants of the Company’s, pursuant to the Company’s RSU plan.

The Company also corrected certain disclosure in its news release issued on September 14, 2021, with regards to the engagement of three marketing firms which stated that none of the firms engaged had a direct or indirect interest in the securities of the Company, or any right or intent to acquire such an interest. Discrete Media Inc. o/a ‘Unlimited’, one of the firms engaged, held a Common Shares, which represented 0.53% of the Company’s issued and outstanding

shares as of the date the press release was issued.

Item 5.1: Full Description of Material Change

See attached news release at Schedule "A" to this report.

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:

Mr. Igal Sudman, Chief Executive Officer

Tel: 905-492-3322

Item 9: Date of Report

October 15, 2021.

SCHEDULE "A"

(See attached.)



AYURCANN

**AYURCANN HOLDINGS CORP. CLOSES NON-BROKERED PRIVATE PLACEMENT,
GRANTS RSUS, RETAINS GENERATION IACP INC. FOR PROVISION OF TRADING
SERVICES AND CORRECTS EARLIER DISCLOSURE**

Pickering, Ontario, October, 7, 2021 - Ayurcann Holdings Corp. (CSE: AYUR, FSE: 3ZQ0) (the “**Corporation**” or “**Ayurcann**”), a Canadian cannabis extraction company specializing in the processing of cannabis and hemp for the production of oils and various derivative products, is pleased to announce that it has closed a non-brokered private placement (the “**Private Placement**”) of 7,710,354 units (each, a “**Unit**”) at a price of \$0.18 per Unit for aggregate gross proceeds of \$1,387,863.72.

Each Unit consists of one (1) common share in the capital of the Corporation (each, a “**Common Share**”) and one (1) Common Share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one (1) Common Share at an exercise price of \$0.22 for a period of the earlier of: (a) thirty six (36) months from the date of the closing of the Private Placement (the “**Closing**”); or (b) if, at any time after the Closing, the closing price of the Common Shares on the Canadian Securities Exchange (the “**CSE**”) is at least \$0.70 for a minimum of ten (10) consecutive trading days, the Corporation may, upon providing written notice to the holders of the Warrants, accelerate the expiry date of the Warrants to the date that is at least thirty (30) days following the date of such written notice (the “**Acceleration Provision**”).

In connection with the Private Placement, eligible finders received \$17,747.28 in cash and 98,594 broker warrants (each, a “**Broker Warrant**”). Each Broker Warrant entitles the holder thereof to purchase one (1) Common Share at an exercise price of \$0.22 for a period of thirty-six (36) months from the Closing, subject to the Acceleration Provision.

The Corporation intends to use the net proceeds of the Private Placement for general working capital for business, corporate, research and development. All securities issued in connection with the Private Placement will be subject to a four (1) month and one (1) day hold period under applicable securities laws.

RSU Grant

The Corporation is pleased to announce the granting of an aggregate of 1,253,125 restricted share units (each, an “**RSU**”) to certain directors, officers, employees and consultants of the Corporation, pursuant to the Corporation’s RSU plan. All RSUs granted vest immediately and the Common Shares issuable upon redemption will be subject to a four (1) month and one (1) day hold period under applicable securities laws.

Trading Services Agreement

The Corporation is also pleased to announce that it has entered into a non-exclusive issuer trading services agreement (the “**Trading Agreement**”) with Generation IACP Inc. (“**GIACP**”) for the purpose of providing trading services and contributing to the market liquidity of the Common

Shares currently listed on the CSE (the “**Services**”). GIACP has agreed to comply with all applicable securities laws and policies of the CSE in providing the Services.

Under the Trading Agreement, GIACP will provide the Services for an initial term of six (6) months (the “**Initial Term**”) at a monthly fee of CAD\$7,500, plus applicable taxes. The Initial Term shall be automatically renewed for subsequent six (6) month periods unless terminated in accordance with the Trading Agreement.

Ayurcann and GIACP act at arm’s length from one another, and to the best knowledge of the Corporation, GIACP has no present interest, directly or indirectly, in the securities of Ayurcann.

Correction to Earlier Disclosure

The Corporation wishes to correct certain disclosure in its news release issued on September 14, 2021, with regards to the engagement of three marketing firms which stated that none of the firms engaged had a direct or indirect interest in the securities of Ayurcann, or any right or intent to acquire such an interest. Discrete Media Inc. o/a ‘Unlimited’, one of the firms engaged, held a total of 550,000 Common Shares, which represented 0.53% of the Corporation’s issued and outstanding shares as of the date the press release was issued.

About Ayurcann Holdings Corp.:

Ayurcann is a leading post-harvest solution provider with a focus on providing and creating custom processes and pharma grade products for the adult use and medical cannabis industry in Canada. Ayurcann is focused on becoming the partner of choice for leading Canadian cannabis brands by providing best-in-class, proprietary services including ethanol extraction, formulation, product development and custom manufacturing.

For further information, please contact:

Igal Sudman, Chairman and Chief Executive Officer
Tel: 905-492-3322
Email: info@ayurcann.com

Investor Relations:

Ryan Bilodeau
Tel: 416-910-440
Email: ir@ayurcann.com

Neither the CSE nor its Regulation Services Provider have reviewed or accept responsibility for the adequacy or accuracy of this news release.

Forward-Looking Statements

This news release contains “forward-looking statements” within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as “plans”,

“expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or may contain statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “will continue”, “will occur” or “will be achieved”. The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements regarding: the Corporation’s intention with respect to the use of proceeds from the Private Placement; the provision by GAICP of the Services; and the ability of the Corporation to become the partner of choice for leading Canadian cannabis brands.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the Corporation will expand and be able to maintain production capacity; the Corporation’s ability to continue as a going concern; continued approval of the Corporation’s activities by the relevant governmental and/or regulatory authorities; the continued growth of the Corporation; the Corporation will spend its use of proceeds as outlined; and the Corporation will utilize the Services.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the Corporation’s inability to expand and/or maintain production capacity; the potential inability of the Corporation to continue as a going concern; the risks associated with the cannabis industry in general; increased competition in the cannabis extraction market; the potential future unviability of the cannabis market; risks associated with potential governmental and/or regulatory action with respect to the cannabis industry; risk that the Corporation will not spend its use of proceeds as outlined; risk that GAICP will not provide the Services and/or that the Services will not generate a positive response; and the inability of the Corporation to become the partner of choice for leading Canadian cannabis brands.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect the Corporation’s expectations as of the date hereof and are subject to change thereafter. The Corporation undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.