

**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 29, 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 29, 2021, the Company completed their Phase 2 expansion on their Pickering facility (the “**Build-Out**”), providing increased production and manufacturing capabilities. The completion of the Build-Out allowing the Company to produce up to 300,000 kg of biomass per year and manufacture up to 3,000,000 product fills.

In connection with the completion of the Build-Out, the Company provided Health Canada with notice of completion of the Build-Out which triggered the final earn-out entitlement (the “**Earn-Out**”) to original Ayurcann Inc. shareholders of an aggregate of 5,159,958 common shares of the Company (“**Common Shares**”). The Earn-Out payment was equal to the quotient of \$1,000,000 divided by the current market price. The market price, as originally agreed to, was determined as the greater of (i) \$0.05 and (ii) the ten (10) day volume weighted average trading price of the Common Shares on the Canadian Securities Exchange prior to the date of the Earn-Out being met, which equated to \$0.1938.

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

November 9, 2021.

SCHEDULE "A"

(See attached.)

Ayurcann Holdings Corp. Completes Phase 2 Build-Out and Distributes Earn-Out Payment

Pickering, Ontario--(Newsfile Corp. - October 29, 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 further to its press releases dated April 28, 2021 and May 18, 2021, Ayurcann has completed their Phase 2 expansion on their Pickering facility (the "**Build-Out**"), providing increased production and manufacturing capabilities. The completion of the Build-Out was done on time and on budget and provides for the immediate commencement of additional production capacity.

The cannabis industry in Canada is growing, in light of this, the Company is focusing on national and international partnership opportunities. With products such as the Fuego Vapes and Vida Tinctures available in the Canadian recreational markets and topicals such as Glow Day and Night, Green Bee Topicals, Her Highness Intimates, and Innocan Wellness CBD being manufactured for future entry into those markets, Ayurcann has distinguished itself as an established and reliable partner, who has the capacity to formulate, test and manufacture products at the highest standards for current and future requirements.

The aim of the Build-Out was to provide flexibility in manufacturing. Ayurcann designed multiple production rooms geared towards increased capacity for "Cannabis 2.0 and 3.0" products. With the Build-Out complete, Ayurcann is able to enhance its processing capacity up to 300,000 kg of biomass per year, and its manufacturing capacity for up to 3,000,000 product fills, making Ayurcann one of the largest processor and co-manufacturer in the country.

"We are thrilled to announce our increased capacity to service the growing needs in the market and we are optimistic about our market penetration and potential for growth. As an industry leading processor and manufacturer, we have been working alongside our partners to support them when it comes to quality, reliability and value," stated Igal Sudman, Chief Executive Officer of Ayurcann.

Earn-Out Payment

In connection with the completion of the Build-Out and further to the Corporation's press release dated November 25, 2020, the Corporation has provided Health Canada with notice that the Build-Out has been completed, triggering the second and final earn-out entitlement (the "**Earn-Out**") to original Ayurcann Inc. shareholders of an aggregate of 5,159,958 common shares of the Corporation ("**Common Shares**"). The Earn-Out payment was equal to the quotient of \$1,000,000 divided by the current market price. The market price, as originally agreed to, was determined as the greater of (i) \$0.05 and (ii) the ten (10) day volume weighted average trading price of the Common Shares on the Canadian Securities Exchange ("**CSE**") prior to the date of the Earn-Out being met, which equates to \$0.1938.

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 ability of the Corporation to become the partner of choice for leading Canadian cannabis brands and increase its production and manufacturing capabilities; the Company's focus on national and international partnership opportunities; future product offerings of the Company; and the Company becoming one of the largest processor and co-manufacturers in the country.

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 Company becoming one of the largest processor and co-manufacturers in the country; the Company's product offering expanding; and the Company establishing national and international partnership opportunities.

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 continued availability of capital and financing, and general economic, market or business conditions; the potential future unviability of the cannabis market; risks associated with potential governmental and/or regulatory action with respect to the cannabis industry; the inability of the Corporation to become the partner of choice for leading Canadian cannabis brands; the Company not becoming one of the largest processor and co-manufacturers in the country; the Company not establishing national and/or international partnerships; and the Company not expanding its product offering.

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. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially,

there may be others that cause results not to be as anticipated, estimated or intended and such changes could be material. Public health crises, including the ongoing novel coronavirus (COVID-19) pandemic, could have significant economic and geopolitical impacts that may adversely affect the Company's business, financial condition and/or results of operations.

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.



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/101279>