

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

1. **Reporting Issuer**

Canntab Therapeutics Limited (the “**Issuer**” or “**Canntab**”)  
223 Riviera Drive  
Markham, Ontario, L3R 5J6

2. **Date of Material Change**

August 21, 2020.

3. **News Release**

Attached as Schedule “A” is a copy of the press release relating to the material change, which was disseminated on August 21, 2020 through the newswire services of Cision and was filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

4. **Summary of Material Change**

The Company entered into a binding asset purchase agreement with CMAX Technologies Inc. (“**CMAX**”) to acquire certain cannabis-processing equipment and leasehold improvements located at its 223 Riviera Drive, Markham, Ontario facility. The Company also entered into a binding asset purchase agreement with Pharmagenetics Solutions Inc. (“**Pharma**”) to purchase cannabis-processing equipment owned by Pharma.

5. **Full Description of Material Change**

The Company entered into a binding asset purchase agreement to acquire certain cannabis-processing equipment and leasehold improvements (the “**CMAX Assets**”) located at its 223 Riviera Drive, Markham, Ontario facility from CMAX, a related party of the Company for \$1,018,000 (the “**CMAX Transaction**”). The purchase price of the CMAX Assets was based upon third party valuations ordered by the Company. The purchase price will be satisfied through the issuance of 1,996,078 common shares of the Company (the “**Common Shares**”) at a deemed price of \$0.51 per Common Share. A deposit of 200,000 Common Shares was paid to CMAX on August 21, 2020. The purpose of the CMAX Transaction is to provide the Company with equipment it intends to use to further its business.

The valuation of the CMAX Assets was completed by an third party in May 2020. The value of the leasehold improvements comprising the CMAX assets was assessed at \$435,000 and the cannabis-processing equipment was assessed at \$583,000, for a total of \$1,018,000. The value of the leasehold improvements was determined using the “cost approach” and the value of the cannabis processing equipment was determined using both the “cost approach and “market approach”. Assets are valued through the “cost approach” by examining the current cost of producing a substitute asset of equivalent utility and through the “market approach” by analyzing recent sales or offering prices of assets that are similar to the subject asset to arrive at an indication of the most probable selling price of the asset being appraised.

The CMAX Transaction will constitute a related party transaction under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). The Company

relied upon the “Fair Market Value Not More Than 25% of Market Capitalization” exemption from the formal valuation and minority shareholder approval requirements, respectively, under MI 61-101. The CMAX Transaction has been approved by the independent director of the Company.

Richard Goldstein, Chief Financial Officer and Director of the Company is a shareholder and the sole director and officer of CMAX Technologies Inc. In addition, Jeffrey Renwick, Chief Executive Officer and Director of the Issuer, Barry Polisuk, Secretary and Director of the Issuer, and Joshi Laxminarayan, Chief Scientific Officer of the Issuer are shareholders of CMAX Technologies Inc. Mr. Polisuk holds 1.44% of CMAX’s outstanding common shares, Mr. Goldstein holds 11.19%, Mr. Renwick holds 38.83% and Mr. Laxminarayan holds 18.04%.

The Company has also entered into a binding asset purchase agreement with Pharma to purchase cannabis-processing equipment (the “**Pharma Assets**”) owned by Pharma (the “**Pharma Transaction**”). The purchase price of the Pharma Assets of \$300,000 will be satisfied through the issuance of 588,235 Common Shares at a deemed price of \$0.51 per Common Share. Joshi Laxminarayan, Chief Scientific Officer of the Company is the sole officer, director and shareholder of Pharma. The binding asset purchase agreement replaces a letter of intent that Mr. Laxminarayan and the Company had entered into in March of 2020, and the deemed price of the Common Shares issuable to Mr. Laxminarayan were determined by reference to then-current closing price of \$0.50 per share.

The closing of the CMAX Transaction and the Pharma Transaction are subject to customary closing conditions contained in transactions of this nature.

6. **Reliance on Section 7.1(2) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

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

Canntab Therapeutics Limited  
Jeffrey Renwick, President  
Tel: +1 289.301.3812  
Email: jeff@canntab.ca

9. **Date of Report**

This report is dated as of the 28<sup>th</sup> day of August, 2020.

## SCHEDULE “A”

### CANNTAB ANNOUNCES PLANNED PURCHASES OF CANNABIS PROCESSING EQUIPMENT AND LEASEHOLD IMPROVEMENTS

**TORONTO, August 21, 2020** – Canntab Therapeutics Limited (CSE:PILL.CN) (OTCQB:CTABF) (FRA:TBF1.F) (the “**Company**” or “**Canntab**”), the leading innovator in cannabinoid and terpene blends in hard pill form for therapeutic applications, is pleased to announce that it has entered into a binding asset purchase agreement to acquire certain cannabis-processing equipment and leasehold improvements (the “**CMAX Assets**”) located at its 223 Riviera Drive, Markham, Ontario facility from CMAX Technologies Inc. (“**CMAX**”), a related party of the Company for \$1,018,000 (the “**CMAX Transaction**”).

The purchase price of the CMAX Assets was based upon third party valuations ordered by Canntab. The purchase price will be satisfied through the issuance of 1,996,078 common shares of the Company (the “**Common Shares**”) at a deemed price of \$0.51 per Common Share. A deposit of 200,000 Common Shares will be paid to CMAX within 14 days of the execution of the purchase agreement.

The Company has also entered into a binding asset purchase agreement with Pharmagenetics Solutions Inc. (“**Pharma**”) to purchase cannabis-processing equipment (the “**Pharma Assets**”) owned by Pharma (the “**Pharma Transaction**”). The purchase price of the Pharma Assets of \$300,000 will be satisfied through the issuance of 588,235 Common Shares at a deemed price of \$0.51 per Common Share. Joshi Laxminarayan, Chief Scientific Officer of the Company is the sole officer, director and shareholder of Pharma. The binding asset purchase agreement replaces a letter of intent that Mr. Laxminarayan and the Company had entered into in March of 2020, and the deemed price of the Common Shares issuable to Mr. Laxminarayan were determined by reference to then-current closing price of \$0.50 per share. This corresponds as well to the \$0.50 unit financing completed at the same time.

The CMAX Transaction will constitute a related party transaction under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”), but is otherwise exempt from the formal valuation and minority approval requirements of MI 61-101. The CMAX Transaction has been approved by the independent director of the Company.

Richard Goldstein, Chief Financial Officer and Director of the Company is a shareholder and the sole director and officer of CMAX Technologies Inc. In addition, Jeffrey Renwick, Chief Executive Officer and Director of the Issuer, Barry Polisuk, Secretary and Director of the Issuer, and Joshi Laxminarayan, Chief Scientific Officer of the Issuer are shareholders of CMAX Technologies Inc. Mr. Polisuk holds 1.44% of CMAX’s outstanding common shares, Mr. Goldstein holds 11.19%, Mr. Renwick holds 38.83% and Mr. Laxminarayan holds 18.04%.

The closing of the CMAX Transaction and the Pharma Transaction are subject to customary closing conditions contained in transactions of this nature.

#### **About Canntab Therapeutics**

Canntab Therapeutics is a Canadian biopharmaceutical company focused on the manufacturing and distribution of a suite of hard pill cannabinoid formulations in multiple doses and timed-release combinations. Canntab’s proprietary hard pill cannabinoid formulations provide doctors, patients and consumers with medical grade solutions which incorporate all the features one would expect from any prescription or over the counter medication sold in Canadian pharmacies. These will include the following formulations: once a day and extended release, both providing an accurate dose and improved shelf stability.

Canntab holds a Cannabis Standard Processing & Sales for Medical Purposes Licence, a Cannabis Research Licence, and an Industrial Hemp Licence from Health Canada.

Additionally, Canntab through its wholly owned American subsidiary is in the process of establishing a CBD manufacturing and distribution business in Florida, USA.

Canntab trades on the Canadian Securities Exchange under the symbol PILL, on the OTCQB under the symbol CTABF, and on the Frankfurt Stock Exchange under the symbol TBF1.

**For further information:**

Canntab Therapeutics Limited

Jeffrey Renwick

Chief Executive Officer

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**Cautionary Statements**

*Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*Certain information in this press release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend” or negatives of these terms and similar expressions. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially, and are based on management's current beliefs, assumptions, and expectations. While Canntab considers these beliefs, assumptions and expectations to be reasonable and based on information currently available, they are inherently subject to significant business, economic and competitive uncertainties and contingencies and they may prove to be incorrect. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements also necessarily involve known and unknown risks, including without limitation, risks associated with general economic conditions, adverse industry events, marketing costs, loss of markets, future legislative and regulatory developments, the inability to access sufficient capital on favourable terms, the medical and recreational cannabis industry in Canada in general, income tax and regulatory matters, the ability of Canntab to execute its business strategies, competition, crop failure, currency and interest rate fluctuations, the closing of the CMAX Transaction and Pharma Transaction, regulatory approval of the CMAX Transaction and Pharma Transaction and other risks. Readers are cautioned that the foregoing 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 from those anticipated. Forward-looking statements are not guarantees of future performance. Except as required by law, Canntab disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.*