

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

1. Name and Address of Reporting Issuer:

Canntab Therapeutics Limited ("Canntab" or the "Corporation")
223 Riviera Drive
Markham, Ontario L3R 5J6

2. Date of Material Change:

December 31, 2020

3. News Release:

A news release announcing the material change was issued on December 31, 2020 and filed on SEDAR.

4. Summary of Material Change:

On December 31, 2020, Canntab announced that it had closed a non-brokered private placement through the issuance of 1,575 convertible debentures ("**Convertible Debentures**") at a price of \$1,000 per Convertible Debenture for gross proceeds of \$1,575,000 (the "**Offering**").

5. Full Description of Material Change:

Each Convertible Debenture consists of 1,250 common shares ("**Common Shares**") of the Corporation at a price of \$0.80 per Common Share ("**Conversion Price**") and 1,250 common share purchase warrants (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one (1) additional Common Share at a price of \$1.00 per Common Share (the "**Exercise Price**") for 34 months following the closing date of the Private Placement. In the event that the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange (the "**CSE** ") exceeds \$2.00 per Common Share for a minimum of 15 consecutive trading days, the Corporation may provide written notice requiring holders to exercise such Warrants within 30 days following the date of issuance of such written notice.

The Corporation also has the right to force the conversion of all of the principal amount of the then outstanding Convertible Debentures at the Conversion Price upon giving the Debentureholders not less than 30 days advance written notice, should the volume weighted average trading price of the Common Shares on the CSE be greater than \$1.20 per Common Share for the preceding 15 consecutive trading days.

If at any time during the term of the Warrants and the Convertible Debentures, the Corporation issues securities at a price deemed lower than the Conversion Price or Exercise Price then in effect or issues any warrants or options with an exercise price at a lower price than the Conversion Price or Exercise Price then in effect (but exclusive of options or other forms of equity issued under the Corporation's Stock Option Plan or warrants to employees or contractors of the Corporation, up to a maximum limit of 10% of the issued and outstanding Common Shares as of the closing date of the Offering), then the Exercise Price and the Conversion Price, as the case may be, will be adjusted downward to such lower exercise price if warrants or options were issued, or 125% of the deemed issuance price of the securities if no warrants or options were issued.

In connection with the Offering, the Corporation paid fees to three arm's-length third parties (the "**Finders**") comprised of cash fees of \$17,000 and issued 47,813 finder's warrants, which each entitle the holder thereof to purchase one Common Share at a price of \$0.80 for a period of 24 months. The Corporation also issued 50,000 warrants to an arm's-length consultant at an exercise price of \$0.80

for a period of 2 years from the date of grant.

All securities issued in connection with the Offering are subject to a four month and one day hold period from December 30, 2020 in accordance with applicable Canadian securities laws. The Corporation intends to use the net proceeds from the Offering for general working capital and business development purposes.

One insider as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), participated in the Offering, either directly or indirectly, therefore the Offering constitutes a "related party transaction" within the meaning of MI 61-101. In its consideration and approval of the Offering, the board of directors of the Corporation determined that the Offering is exempt from the formal valuation and minority approval requirements of MI 61-101 on the basis that the fair market value of the Offering to related parties does not exceed 25% of the market capitalization of the Corporation, in accordance with Sections 5.5 and 5.7 of MI 61-101.

The insider participation in the Offering is as follows:

Name of Insider	Position with the Corporation	Number of Convertible Debentures	Value of subscription	Number and percentage of common shares held before Closing ⁽¹⁾	Number and percentage of common shares held after Closing ⁽¹⁾
Richard Goldstein	CFO	100	\$100,000	3,858,000 10.9%	3,858,000 10.9%

Note:

- (1) Calculated on a non-diluted basis, inclusive of common shares beneficially owned, controlled or directed, directly or indirectly, and based on 35,551,437 common shares issued and outstanding prior to the closing of the Offering and 35,551,437 common shares issued and outstanding immediately following the closing of the Offering.

The Corporation has also issued to Richard Goldstein, Chief Financial Officer and Director of the Corporation, 150,000 stock options ("**Options**") in accordance with the Corporation's incentive stock option plan. Each Option is exercisable into one Common Share at a price of \$0.82 per Common Share, for a period of 3 years from the date of grant.

The directors of the Corporation approved the Offering by written resolution. In accordance with the *Canada Business Corporations Act*, all of the directors were required to sign the authorizing resolution in order for the Offering to be valid as if passed at a meeting of the directors of the Corporation, however, the signatures of each of the aforementioned insiders do not constitute a vote by the insider as a director to approve the Offering. The Offering was unanimously approved by the directors of the Corporation entitled to vote thereon.

The Corporation did not file a material change report more than 21 days before the closing of the Offering as the details of the Offering, and the confirmation of insider participation in the Offering, was not definitively known to the Corporation until the date of the closing of the Offering and the board of directors determined that it was in the best interests of the Corporation to close the Offering as soon as practicable.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102.

Not applicable.

7. Omitted Information:

No information has been omitted.

8. Executive Officers:

Larry Lotowsky
Chief Executive Officer
Telephone: +1 833-301-3812

Richard Goldstein
Chief Financial Officer
Telephone: +1 833-301-3812

9. Date of Report:

December 31, 2020

Forward-looking Information Cautionary Statement

This material change report may contain forward-looking statements. The forward-looking statements in this material change report are based on certain key expectations and assumptions made by Canntab. Although Canntab believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Canntab can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. More information about certain of these risks are set out in the documents filed from time to time with the Canadian securities regulatory authorities, available on Canntab's SEDAR profile at www.sedar.com.

Forward-looking statements are based on estimates and opinions of management of Canntab at the time the statements are presented. Canntab may, as considered necessary in the circumstances, update or revise such forward-looking statements, whether as a result of new information, future events or otherwise, but Canntab undertakes no obligation to update or revise any forward-looking statements, except as required by applicable securities laws.