

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

LIFESTYLE DELIVERY SYSTEMS INC.

Suite 820, 1130 West Pender Street
Vancouver, BC V6E 4A4

Item 2. Date of Material Change

May 31, 2017

Item 3. News Release

The news release was issued on May 31, 2017, and was disseminated by Newsfile.

Item 4. Summary of Material Change

On May 31, 2017, Lifestyle Delivery Systems Inc. (the "Company") closed its brokered private placement financing (the "Brokered Private Placement") as well as a concurrent non-brokered private placement financing (the "Non-Brokered Private Placement") for a total of 17,387,776 units (the "Units") at a price of Cdn\$0.50 per Unit (the "Issue Price") for total gross proceeds of Cdn\$8,693,888.

Item 5. Full Description of Material Change

On May 31, 2017, the Company closed its Brokered Private Placement as well as a concurrent Non-Brokered Private Placement.

A total of 14,213,000 were sold in the Brokered Private Placement the Issue Price for total gross proceeds of Cdn\$7,106,500. Each Unit sold in the Brokered Private Placement consisted of one common share of the Company (each a "Unit Share") and one common share purchase warrant (each a "Warrant") entitling the holder to purchase one additional common share (a "Warrant Share") at a price of \$0.75 per Warrant Share for a period ending one year from the date of issuance. The Company may accelerate the expiration date of the Warrants if the daily volume weighted average share price of the Company's common shares on the Canadian Securities Exchange (or such other stock exchange as the Company's common shares are then trading on) is equal to or greater than Cdn\$1.50 for 10 consecutive trading days.

Canaccord Genuity Corp. (the "Agent") acted as agent for the Brokered Private Placement. In consideration of its services, the Company paid the Agent cash commission of \$415,405, and issued 164,100 Units at a deemed price of \$0.50 per Unit. As additional consideration, the Company issued to the Agent 994,910 warrants (the "Broker Warrants"). Each Broker Warrant is exercisable for one Unit at the Issue Price for a period of 12 months from closing of the Offering.

Concurrent with the closing of the Brokered Private Placement, the Company sold a total of 3,174,776 Units also at a price of Cdn\$0.50 per Unit in the Non-Brokered Private Placement for total gross proceeds of Cdn\$1,587,388. The Units sold in the Non-Brokered Private Placement have substantially the same terms as the Units sold in the Brokered Private Placement. No commissions or fees were paid in connection with the offer and sale of Units in the Non-Brokered Private Placement. No finders fees were paid in connection with the Non-Brokered Private Placement.

Mr. Eckenweiler, the Company's CEO and Director subscribed for 400,000 Units of the Non-Brokered Private Placement for total proceeds of \$200,000.

The securities issued under the Brokered Private Placement and Non-Brokered Private

Placement will be subject to a hold period expiring on October 1, 2017 pursuant to applicable Canadian securities laws.

Net proceeds from the Brokered Private Placement and Non-Brokered Private Placement will be used towards the Company's strategic growth initiatives and for general working capital purposes.

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

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

Yanika Silina
Chief Financial Officer
604-648-0522

Item 9. Date of Report

June 2, 2017