

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

**Item 1. Name and Address of Company**

**Icon Exploration Inc.** (“Icon” or the “Company”)  
55 University Avenue  
Mezzanine Level, Suite M002  
PO Box 47  
Toronto, Ontario M5J 2H7

Phone: 416.867.2353 Fax: 416.867.4566

**Item 2. Date of Material Change**

January 26, 2018

**Item 3. News Release**

A News Release dated and issued January 26, 2018 at Toronto, Ontario through Newsfile Corp. and SEDAR.

**Item 4. Summary of Material Change**

Icon announces Non-Binding Letter of Intent relating to change of business.

**Item 5. Full Description of Material Change**

See news release, a copy of which is attached hereto.

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

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Executive Officer**

Rob Fia, President & CFO  
Telephone: 416.722.4994

**Item 9. Date of Report**

January 26, 2018

## Icon Exploration Inc. Announces Non-Binding Letter of Intent Relating to Change of Business

Toronto, Ontario--(Newsfile Corp. – January 26, 2018) - Icon Exploration Inc. (TSXV: IEX.H) ("**Icon**" or the "**Company**") is pleased to announce it has entered into a non-binding letter of intent dated January 22, 2018 (the "**LOI**") for a non-arm's length business combination transaction (the "**Proposed Transaction**") with 2590672 Ontario Inc. ("**City View Green**" or "**City View**" or "**CVG**"). City View Green is a private company incorporated under the laws of Ontario that has an exclusive 5 year lease (with an option to renew for 5 years) with a further exclusive right to lease any future buildings on lands owned by the building owner located in Brantford, Ontario. Additional buildings can be constructed and leased totaling approximately 120,000 ft<sup>2</sup> of building space. City View Green has submitted an application to Health Canada for an Access to Cannabis for Medical Purposes Regulations ("**ACMPR**") license which is under review.

### *About City View Green*

City View Green is targeting entry into the Canadian Medical and Recreational market in 2018 as a high quality, large-scale cannabis producer. City View Green is an ACMPR applicant strategically located in Brantford, Ontario, which is in close proximity to one of Canada's largest cities - Toronto, Ontario.

Upon issuance of the license, City View Green proposes to operate a 40,000 ft<sup>2</sup> facility, and expects to be able to utilize 28,000 ft<sup>2</sup> for cultivation. City View intends to grow 7,500 kilograms per year of pharmaceutical grade cannabis to be sold in the current medicinal market and the upcoming recreational market, upon legalization.

City View Green intends to incorporate innovative growing strategies which will be based on technological advancements in LED lighting, advanced HVAC and dehumidification technology, and automation. This progressive growing technology is expected to improve the quality, safety, output and consistency of its cannabis production.

City View Green's management believes that its strategic location in Brantford, Ontario should enable it to be able to draw on the best talent available in the market which is in close proximity to several agricultural learning centres, colleges and universities. FDi, a division of Financial Times Limited, ranked the City of Brantford at the top spot as the most *business-friendly* city in the micro city category in the 2017/2018 FDI report.

### *The Proposed Transaction*

This Proposed Transaction, which will see the Company transition from a resource company to a company carrying on business in the cannabis sector, will constitute a "*Change of Business*" ("**COB**") as defined in Policy 5.2 of the TSX Venture Exchange (the "**Exchange**"). The Proposed Transaction is a Related Party Transaction (as such term is defined in Exchange policies) in that three of the directors of Icon, Rob Fia, Joseph Heng and Stephen McNeill, own, in the aggregate, approximately 35.86% of the issued shares of City View Green. Accordingly, pursuant to Exchange policies, the Proposed Transaction must be approved by a simple majority of Icon's disinterested shareholders in attendance at a meeting being held by Icon to approve the Proposed Transaction. It is expected that this special meeting will be held within the next 3-4 months and a management information circular will be provided to Icon's shareholders in due course.

The LOI contemplates Icon and City View Green undertaking a business combination transaction, currently proposed to be completed by way of share exchange between Icon and all of the shareholders of City View Green, whereby City View Green will become a wholly owned subsidiary of Icon. The LOI

contemplates that on completion of the Proposed Transaction, Icon will issue approximately 106,065,838 common shares of Icon (“**Icon Shares**”) and 10,000,000 incentive stock options in exchange for the existing issued common shares of City View (the “**City View Shares**”) and outstanding City View stock options (the “**City View Options**”). In the event City View completes an equity raise of up to \$2,000,000 (the “**Interim Financing**”) prior to closing of the Proposed Transaction, then Icon may issue up to an additional 21,207,866 Icon Shares in consideration for City View common shares issued pursuant to the Interim Financing.

Icon currently has 31,181,426 Icon Shares issued and outstanding, 3,620,690 warrants outstanding and 3,037,734 stock options outstanding. Upon completion of the Proposed Transaction, it is estimated that there will be approximately 137,884,264 Icon Shares issued and outstanding immediately following closing of the Proposed Transaction (154,542,688. Icon Shares on a fully-diluted basis) with City View shareholders holding approximately 76.92% of the then issued Icon Shares (or 75.10% of the Icon Shares on a fully-diluted basis) and current Icon shareholders holding approximately 23.08% of the then issued Icon Shares (or 24.90% of the Icon Shares on a fully-diluted basis).

In the event that City View completes the full \$2,000,000 Interim Financing, then upon completion of the Proposed Transaction, it is estimated that there will be approximately 159,092,130 Icon Shares issued and outstanding immediately following closing of the Proposed Transaction (175,750,554 Icon Shares on a fully-diluted basis), with City View shareholders holding approximately 80.00% of the then issued Icon Shares (or 78.11% Icon Shares on a fully-diluted basis) and current Icon shareholders holding approximately 20.00% of the then issued Icon Shares (or 21.89% Icon Shares on a fully-diluted basis).

In conjunction with Icon’s due diligence review of City View Green, its assets and its business plan, Icon will determine whether to complete a financing concurrent with closing of the Proposed Transaction. Icon will provide further disclosure on any such financing once a determination has been made with respect to same.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are standard for a transaction of this nature, including but not limited to (i) negotiation of final terms and execution of a definitive agreement (the “**Definitive Agreement**”) by Icon and City View Green (ii) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents, including the Exchange; (iii) the approval by the shareholders of Icon to complete the Proposed Transaction, if required; (iv) issuance of the ACMPR license to City View Green; and (v) the completion of satisfactory due diligence by each of Icon and City View Green on or prior to 10 business days from signing of the LOI; . **There can be no assurance that the Proposed Transaction will be completed on the terms proposed above or at all.**

Each of Icon and City View Green will bear their own costs in respect of the Proposed Transaction except that if the Proposed Transaction is not completed for any reason outside of Icon's control, then City View Green will pay Icon a break fee equal to ten times (10x) the due diligence expenses expended by Icon in relation to its due diligence of City View, its business and assets and the Proposed Transaction, up to a maximum sum of \$500,000.

Prior to signing of the Definitive Agreement, Icon and City View Green will determine any changes to Icon's Board and management that may be effected on closing of the Proposed Transaction. Icon will provide further disclosure on any such changes once a determination has been made with respect to same.

### *Sponsorship*

Subject to Exchange approval, Kingsdale Capital Markets Inc. ("**Kingsdale**") will act as the sole financial advisor and may include a syndicate for future financings for Icon with respect to the Proposed Transaction and will be the sole agent and may include a syndicate for any concurrent financing that Icon may complete in relation to the Proposed Transaction, if any. Sponsorship of a COB is required by the Exchange unless exempt therefrom in accordance with the Exchange's policies. If applicable, Icon will apply for an exemption from the sponsorship requirements pursuant to the policies of the Exchange. If an exemption is not granted or not available, then Icon will engage Kingsdale as sponsor for the Proposed Transaction.

### *Trading Halted*

At the Company's request, trading in the Icon Shares has been halted by the Exchange. Trading is expected to remain halted until the completion of the Proposed Transaction. Upon completion of the Proposed Transaction, the Company intends to be listed on the Exchange as a Tier 2 Life Sciences Issuer.

### *Further Disclosure*

Icon will provide further disclosure on the Proposed Transaction as final terms are negotiated and information becomes available to it, including any concurrent financing or any changes to Icon's Board and management that may be effected on closing of the Proposed Transaction.

Rob Fia, CEO, commented: "The Board has been actively assessing a number of potential cannabis related investment opportunities, and we believe the City View Green business represents a compelling and well-timed opportunity for Icon.

As the Canadian market continues to mature and evolve ahead of the proposed legalization for recreational cannabis in July 2018, the decision to acquire an early applicant for an ACMPR license represented the best value for Icon and has the potential to deliver significant near-term value for our shareholders.

City View Green is an exciting cannabis start-up with a great team and low-cost cultivation strategy which we believe will benefit significantly from the added expertise and funding support provided by Icon. We look forward to advancing this project with City View Green in the near future."

### **Cautionary Note**

*As noted above, completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Icon, if reinstated prior to completion of the Proposed Transaction, should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.*

*Kingsdale Capital Markets Inc., subject to completion of satisfactory due diligence, has agreed to act as sponsor in connection with the transaction, if an exemption from sponsorship is not obtained or available. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.*

For further information contact:

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Rob Fia, CEO & Director

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## **ABOUT ICON EXPLORATION INC.**

Icon is a publicly traded company on the NEX Exchange (TSXV: IEX.H) our primary objective is to create a well-diversified company that will produce long-term returns for its shareholders and investors. Our current focus is on assessing potential acquisition targets in the cannabis industry. [www.iconexploration.net](http://www.iconexploration.net)

*Neither the TSX Venture Exchange nor its Regulation Services Provider  
(as that term is defined in policies of the TSX Venture Exchange) accepts responsibility  
for the adequacy or accuracy of this release.*

### **Disclaimer for Forward-Looking Information**

*This press release contains forward-looking statements and information that are based on the beliefs of management and reflect Icon's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to the business plans of Icon and City View, the status of the ACMPR license application, the Interim Financing or any other financing Icon may undertake in conjunction with the closing of the Proposed Transaction, the Proposed Transaction (including Exchange approval, shareholder approval and the closing of the Proposed Transaction) and the board of directors and management of the Company upon completion of the Proposed Transaction. Such statements and information reflect the current view of Icon. Risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.*

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following risks:

- there is no assurance that the Interim Financing or any other financing will be completed or as to the actual offering price or gross proceeds to be raised in connection with such financing. In particular, the amount raised may be significantly less than the amounts anticipated as a result of, among other things, market conditions and investor behaviour;
- there is no assurance that due diligence will be satisfactory to each of Icon and City View Green or that Icon, City View Green and all of the holders of City View Green securities will be able to come to negotiated agreement on final terms of the Proposed Transaction;
- there is no assurance that Icon and City View Green will obtain all requisite approvals for the Proposed Transaction, including the approval of the Exchange, or approvals of their respective shareholders, and any such approvals may be conditional upon amendments to the terms of the Proposed Transaction;
- there is no assurance that City View will obtain an ACMPR license from Health Canada;
- following completion of the Proposed Transaction, Icon may require additional financing from time to time in order to continue its operations. Financing may not be available when needed or on terms and conditions acceptable to it;
- new laws or regulations could adversely affect Icon's business and results of operations after completion of the Proposed Transaction; and
- the stock markets have experienced volatility that often has been unrelated to the performance of companies. These fluctuations may adversely affect the price of Icon's securities, regardless of its operating performance.

There are a number of important factors that could cause Icon's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others: limited business history of City View Green; disruptions or changes in the credit or security markets; results of operation activities and development of projects; laws, rules and regulations relating to the medical marijuana industry; project cost overruns or unanticipated costs and expenses, and general market and industry conditions.

Icon cautions that the foregoing list of material factors is not exhaustive. When relying on Icon's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Icon has assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

**THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF ICON AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE ICON MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.**

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. 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.