

**BC FORM 51-102F3**  
**MATERIAL CHANGE REPORT**  
**UNDER SUBSECTION 7.1(1) OF NATIONAL INSTRUMENT 51-102**

Item 1 Name and Address of Company

OSOYOOS CANNABIS INC. (the "Issuer" or "Company")  
1400 – 1125 Howe Street, Vancouver, BC V6Z 2K8

Item 2 Date of Material Change

February 19, 2019

Item 3 News Release

Date of dissemination – February 19, 2019  
Method of dissemination – SEDAR, Newsfile, Stockwatch, Baystreet.ca

Item 4 Summary of Material Change

The Issuer announced that it will begin trading on the Canadian Stock Exchange on February 21, 2019.

Item 5 Full Description of Material Change

See attached news release dated February 20, 2019.

Item 6 Reliance on Section 7.1(2) OR (3) OF National Instrument 51-102

The Company is not relying on subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 Omitted Information

There is no omitted information.

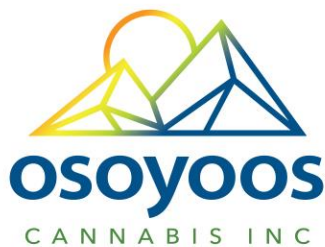
Item 8 Senior Officers

Gerry Goldberg, Interim CEO and Executive Chairman of the Company, is knowledgeable about the material change and this report. His business telephone no. is: (416) 460-3000

Item 9 Dated the 20<sup>th</sup> day of February, 2019.

*"Gerry Goldberg"*

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Gerry Goldberg, Interim CEO and Executive Chairman



## ***OSOYOOS TO COMMENCE TRADING ON CANADIAN SECURITIES EXCHANGE ON FEBRUARY 21, 2019***

**February 20, 2019 - Toronto, Ontario** - Osoyoos Cannabis Inc. ("the Company" or "Osoyoos Cannabis") will commence trading on the Canadian Stock Exchange ("CSE") on February 21, 2019, under the symbol "OSO".

There have been a number of significant developments within the Company leading up to our public debut that we wish to highlight to our valued investors.

Osoyoos Cannabis is advancing on a pathway to become a world-leading cannabinoid extraction company. Consequently, the Company has amended its original application for a Cultivation License under the ACMPR, to a Standard Processor License under the Cannabis Act. This application has been submitted through the Indigenous Navigator Program, which is expected to expedite the licensing process. Our application is currently in the review stage.

In furthering this strategy, Osoyoos Cannabis has secured a lease, with the option to purchase, a 10,410 ft<sup>2</sup> facility on the Osoyoos Indian Band's lands in the Senkulmen Business Park in Oliver, BC. The building and its location are perfectly suited for the purposes of cannabinoid extraction. The facility is a former storage warehouse that is in excellent condition and has the ideal dimensions to allow for a phased retrofit. Phase One of this retrofit is approximately 3,500 ft<sup>2</sup>. The initial architectural designs have been completed and the Company is advancing the build out.

To implement the operating model, Osoyoos Cannabis has purchased and taken possession of four Vitalis Supercritical CO<sub>2</sub> Extraction Systems, which will operate within the footprint of the Phase One retrofit. These Systems will allow for the processing of up to 50,000 kilograms of dried flower annually, which is expected to produce approximately 4,900 kilograms of winterized output per year.

The ongoing execution of our plan will allow Osoyoos Cannabis to pursue four core business lines:

- 1) Contract processing for third-party licensed producers, by performing tolling services for the extraction of pharmaceutical-grade, purified oil from cannabis or hemp;
- 2) Extraction and production of oils to be sold through wholesale contracts to third-party licensed producers;
- 3) Leverage our extraction expertise for the development of cannabis concentrates, product formulations and processing and packaging for ready to sell white-labelled products for third-party licensed producers; and
- 4) Manufacturing and distribution of our own proprietary Osoyoos Cannabis branded products for retail, allowing us to create greater margins upon sale and to build a lifestyle brand along the way.

Subsequent to the Phase One facility retrofit, which is expected to be completed in summer 2019, Osoyoos Cannabis will commence its Phase Two retrofit. This Phase will entail retrofitting the balance of the facility, adding more packaging equipment and doubling extraction capacity. Doing so will

allow for the processing of up to 100,000 kilograms of flower annually which is expected to produce approximately 9,800 kilograms of output per year.

In addition to Osoyoos Cannabis' application for a Standard Processing license, the Company is also in the process of negotiating a letter of intent relating to 100 acres of neighboring land with the intention of cultivating cannabis outdoors. The Okanagan Valley is the hottest and driest place in Canada, which is the ideal location to establish an outdoor grow. This low-cost cultivation method, combined with high-margin processing and product development expertise, will allow Osoyoos Cannabis to operate with some of the best economics in the industry.

Osoyoos Cannabis is excited to pursue these two fundamental strategies that capitalize on current industry themes: namely the production of cannabis concentrates and access to low cost input materials.

For a full description of the Company, readers are encouraged to review its Listing Statement dated February 20, 2019 which may be viewed at: [www.SEDAR.com](http://www.SEDAR.com).

ON BEHALF OF THE BOARD

**OSOYOOS CANNABIS INC.**

*"GERRY GOLDBERG"*

Interim CEO and Executive Chairman

For further information contact:

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**FORWARD-LOOKING INFORMATION**

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "may", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the intention of the Company to become licensed in Canada to produce and sell cannabis extracts. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the parties. The material factors and assumptions include the parties being able to obtain the necessary corporate, regulatory and other third-party approvals; licensing and other risks associated with Cannabis Act (Canada) operations. The forward-looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein. The forward-looking statements contained in this press release are made as of the date of this press release, and the Company expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

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