

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

ITEM 1 Name and Address of Company

Altitude Resources Inc. (the “**Company**” or “**Altitude**”)
#1100, 736 – 8th Avenue SW
Calgary, AB T2P 1H4

ITEM 2 Date of Material Change

December 18, 2018

ITEM 3 News Release

A news release announcing the material change was disseminated by the Company on December 19, 2018 through CNW.

ITEM 4 Summary of Material Changes

On December 18, 2018 the Company announced that it had entered into an amending agreement (the “**Amending Agreement**”) amending the terms of the amalgamation agreement dated October 10, 2018 (the “**Amalgamation Agreement**”) between Altitude, Vibe Bioscience Corporation (“**Vibe**”) and 2657152 Ontario Inc. The Amending Agreement extends the outside date for the completion of certain matters contemplated in the Amalgamation Agreement from December 31, 2018 to February 28, 2019. The Amending Agreement also amends the Exchange Ratio (as defined in the Amalgamation Agreement) from 12.04607 to 6.8830.

The Company also announced that it had entered into a share purchase agreement (the “**Share Purchase Agreement**”) with Noir Resources Ltd. (“**Noir**”), a private Alberta corporation, pursuant to which Noir agreed to acquire (the “**Subco Disposition**”) all of the shares of Altitude’s wholly-owned subsidiary, Altitude Resources Ltd. (the “**Subco**”). The assets and liabilities of Altitude are held by Subco and therefore the sale of Subco to Noir will result in the disposition of all or substantially all of the assets of Altitude.

ITEM 5 Full Description of Material Change

Pursuant to the Amalgamation Agreement, Altitude and Vibe will complete an arm's length business combination by way of three-cornered amalgamation pursuant to the provisions of the *Business Corporations Act* (Ontario) (the “**Amalgamation**”). Shareholders of Vibe (the “**Vibe Shareholders**”), other than Vibe Shareholders who exercise their dissent rights, will receive, subject to adjustment, 6.8830 common shares in the capital of Altitude (the “**Altitude Shares**”) for each Vibe share held.

Upon completion of the Amalgamation (after taking into account an equity raise by Vibe equal to the Maximum Concurrent Financing (as defined below), the acquisition of the U.S. Targets (as defined

below) and assuming a consolidation on a twelve (12) for one (1) basis (the “**Consolidation**”), former Vibe Shareholders will hold, in the aggregate, approximately 89,104,044 shares in the capital of the resulting issuer (the “**Resulting Issuer Shares**”) representing approximately 97.59% of the outstanding Resulting Issuer Shares and existing holders of Altitude Shares (the “**Altitude Shareholders**”) will hold, in the aggregate, approximately 2,197,992 Resulting Issuer Shares, representing approximately 2.41% of the outstanding Resulting Issuer Shares.

The completion of the Amalgamation is subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the delisting of the Altitude Shares from the TSX Venture Exchange (the “**TSXV**”); (ii) the approval of the listing of the Altitude Shares on the Canadian Securities Exchange (the “**CSE**”); (iii) the completion of the Altitude Disposition (as defined below); (iv) the approval of the Amalgamation by the Vibe Shareholders; (v) the approval of various matters related to the Amalgamation by the Altitude Shareholders; (vi) the completion of satisfactory due diligence by each of the parties; and (vii) other conditions customary for a transaction of this nature. In connection with the transactions contemplated by the Amalgamation Agreement, the directors, officers and major shareholders of Altitude and Vibe have entered into voting support agreements whereby they will agree to vote their Altitude Shares and Vibe Shares, as applicable, in favour of the Amalgamation and matters ancillary thereto. There can be no assurance that the Amalgamation will be completed on the terms proposed or at all.

Subject to the receipt of all applicable approvals, Altitude expects to complete the delisting of the Altitude Shares from the TSXV and the listing of the Altitude Shares on the CSE prior to the completion of the closing of the Amalgamation. Subject to satisfaction or waiver of the conditions precedent referred to herein and in the Amalgamation Agreement, Altitude and Vibe anticipate the Amalgamation will be completed in the first quarter of 2019.

In connection with the completion of the Amalgamation, Altitude anticipates changing its name to “Vibe Bioscience Corp.” or such other name as may be determined by the board of directors.

Proposed Concurrent Financing

In connection with the Amalgamation, Vibe will complete a private placement (the “**Vibe Concurrent Financing**”) of its common shares (the “**Vibe Shares**”) at a purchase price of \$0.45 per Vibe Share and/or debt on the terms determined by Vibe through a non-brokered private placement or otherwise for aggregate gross proceeds equal to a minimum of \$7.6 million (the “**Vibe Minimum Financing**”) and up to a maximum of \$15 million (the “**Vibe Maximum Financing**”), or such other amount as Vibe determines in its sole discretion.

On August 10, 2018, Vibe closed the first tranche, as amended, of the Vibe Concurrent Financing and in connection therewith Vibe issued 2,555,553 Vibe Shares for gross proceeds of \$1,149,999. On November 2, 2018, Vibe closed the second tranche of the Vibe Concurrent Financing, and in connection therewith issued 4,211,149 Vibe Shares for gross proceeds of \$1,895,017.

It is not a condition of either the Amalgamation or the U.S. Acquisitions that Vibe complete the Vibe Concurrent Financing, and Vibe retains absolute and sole discretion with respect to the size and form of the Vibe Concurrent Financing. In addition to or in lieu of a portion of the Vibe Concurrent Financing, subsequent to the closing of the Amalgamation, Vibe may raise additional capital through debt or equity so as to fund further expansions.

The proceeds raised under the Vibe Concurrent Financing will be used to fund the costs associated with completing the Amalgamation, the U.S. Acquisitions and for the Resulting Issuer's general working capital purposes.

U.S. Acquisitions

Vibe has entered into purchase agreements pursuant to which Vibe has agreed to acquire certain controlling equity interests in five entities domiciled in the United States (the "**U.S. Targets**") for an aggregate purchase price of approximately USD\$20 million, comprised of US\$3.8 million in cash and an estimated 28,342,959 Vibe Shares (assuming the closing of the Vibe Maximum Financing and subject to adjustment) having an agreed upon value of approximately US\$16.2 million (collectively, the "**U.S. Acquisitions**"). The U.S. Targets collectively own, operate and are developing cannabis dispensaries and production facilities located in the state of California in the United States. Upon completion of the U.S. Acquisitions, Vibe will be a vertically integrated cannabis company operating in the United States. The closing of the U.S. Acquisitions remains subject to various conditions, including the completion of due diligence by Vibe and various licensing, regulatory and third-party approvals.

The Resulting Issuer

Assuming completion of the Vibe Minimum Financing and the Consolidation, it is estimated that there will be approximately 79,892,198 Resulting Issuer Shares issued and outstanding immediately following closing of the Amalgamation (83,497,057 Resulting Issuer Shares on a fully-diluted basis), with:

- (i) former Altitude Shareholders holding approximately 2.75% of such Resulting Issuer Shares (2.64% Resulting Issuer Shares on a fully-diluted basis);
- (ii) former Vibe Shareholders (not including subscribers under the Vibe Concurrent Financing and vendors of the U.S. Targets) holding approximately 67.25% of such Resulting Issuer Shares (64.35% Resulting Issuer Shares on a fully-diluted basis);
- (iii) subscribers under the minimum Concurrent Financing holding approximately 12.13% of such Resulting Issuer Shares (11.60% Resulting Issuer Shares on a fully-diluted basis); and

- (iv) vendors of the U.S. Targets holding approximately 17.87% of such Resulting Issuer Shares (17.11% Resulting Issuer Shares on a fully-diluted basis).

Assuming completion of the Maximum Vibe Financing, it is estimated that there will be approximately 91,302,037 Resulting Issuer Shares issued and outstanding immediately following closing of the Amalgamation (94,906,895 Resulting Issuer Shares on a fully-diluted basis), with:

- (i) former Altitude Shareholders holding approximately 2.41% of such Resulting Issuer Shares (2.32% Resulting Issuer Shares on a fully-diluted basis);
- (ii) former Vibe Shareholders (not including subscribers under the Concurrent Financing) holding approximately 58.85% of such Resulting Issuer Shares (56.61% Resulting Issuer Shares on a fully-diluted basis);
- (iii) subscribers under the maximum Concurrent Financing holding approximately 20.94% of such Resulting Issuer Shares (20.15% Resulting Issuer Shares on a fully-diluted basis); and

vendors of the U.S. Targets holding approximately 17.81% of such Resulting Issuer Shares (17.13% Resulting Issuer Shares on a fully-diluted basis).

Upon completion of the Amalgamation, it is anticipated that all of the existing directors and officers of Altitude will resign and the management of the Resulting Issuer will include Mark Waldron, Joe Starr, Jim Meloche, Ryan Mercier, Gregory Bass and Brian Arbique.

Altitude Disposition

Completion of the Amalgamation is conditional on Altitude disposing of all its mining assets and liabilities as well as the shares of Subco. On December 18, 2018, Altitude entered into a share purchase agreement (the “**Share Purchase Agreement**”) with Noir Resources Ltd. (“**Noir**”), a private Alberta corporation, pursuant to which Noir agreed to acquire (the “**Subco Disposition**”) all of the shares of Altitude’s wholly-owned subsidiary, Subco. The assets and liabilities of Altitude are held by Subco and therefore the sale of Subco to Noir will satisfy the asset disposition condition set forth in the Amalgamation Agreement.

The purchase price to be paid by Noir for the shares of Subco is equal to a cash payment of \$160,000, payable on the closing date, plus a sum equal to the aggregate net proceeds received by Noir from the subsequent sale of the assets comprising the Palisades Project and the sale of shares in the capital of Atrum Coal Limited (the “**Atrum Shares**”), each of which will be indirectly acquired by Noir by virtue of acquiring Subco. In accordance with the terms of the Share Purchase Agreement, Noir has agreed to use commercially reasonable efforts to dispose of the assets forming the Palisades Project and Atrum Shares.

It is not a condition to the completion of the Subco Disposition that the Amalgamation be completed. In the event that the Amalgamation is not completed, the Company anticipates proceeding with the Subco Disposition in accordance with the terms of the Share Purchase Agreement.

Substantially all of the assets of Altitude are held through Subco; as a result, the completion of the Subco Disposition will result in the sale of all or substantially all of the assets of Altitude and require the approval of not less than two-thirds of the votes cast by Altitude Shareholders present in person or represented by proxy and entitled to vote at Altitude's shareholder meeting called for, among other things, considering such matters.

Related Party Transactions

Eugene Wusaty and Doug Porter, each a director and officer of Altitude, beneficially own, or control or direct all of the shares of Noir. In addition, Mr. Wusaty beneficially owns, or controls or directs, directly or indirectly, 1,111,109 Vibe Shares and 190,000 options to acquire Vibe Shares (the "**Vibe Options**") and Mr. Porter beneficially owns, or controls or directs, directly or indirectly, 166,666 Vibe Shares and 10,000 Vibe Options. As a result, the Amalgamation and the Subco Disposition are "related party transactions" as contemplated by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company anticipates relying on Section 5.5(b) of MI 61-101 for an exemption from the formal valuation requirement for the Amalgamation and the Subco Disposition. The Company anticipates seeking minority shareholder approval for the Amalgamation and the Subco Disposition in accordance with Section 5.6 of MI 61-101. To the knowledge of Altitude, 7,585,300 Altitude Shares beneficially owned by Eugene Wusaty and 568,000 Altitude Shares beneficially owned by Doug Porter are required to be excluded from voting on the resolutions approving the Amalgamation and the Subco Disposition.

Altitude has established a special committee comprised of independent directors George W. Roberts and Pierre Gagnon (the "**Special Committee**") for the purposes of reviewing the merits of the Amalgamation and the Subco Disposition, and matters ancillary thereto. The Special Committee unanimously approved the Amalgamation and the Subco Disposition and has recommended that Altitude Shareholders vote in favour thereof at Altitude's shareholder meeting called for, among other things, considering such matters.

The Special Committee independently evaluated the consideration to be received by Altitude Shareholders under the Subco Disposition and considered the impact of the Amalgamation on all stakeholders of Altitude. Among the factors considered by the Special Committee was a draft report dated December 14, 2018 prepared by Kaybri Resource Management Ltd. and titled "Property Valuation Estimate of the Altitude North Property" (the "**Kaybri Report**") and the range of valuations for Altitude's Altitude North Property provided therein. In addition, the Special Committee presented the asset package to a number of investment banks, which further made inquiries to a number of independent foreign and domestic potential buyers. Non-disclosure agreements were executed and due diligence was conducted by a number of the parties, following which no bid was presented to the Company.

The Kaybri Report was prepared for the Special Committee by the author with a view to assisting the Special Committee in evaluating the consideration to be received by Altitude in connection with the Subco Disposition. The author employed a “Cost Approach”, and specifically the “Appraised Value Method” to value the Altitude North Project and prepared its report based on the available historical Alberta Government information and an exploration report conducted on the property. The “Appraised Value Method” is based on the premise that the value of an exploration property lies in its potential for the existence and discovery of an economic mineral deposit and that the amount of exploration expenditure justified on a property is related to its value. The author considered the costs incurred to acquire the coal lease applications comprising the Altitude North Project (\$77,000), the exploration expenses incurred on the property (\$22,000) and added future costs for the next stage of exploration (\$120,000) in determining that the appraised value or cost base for the Altitude North Project is \$226,000. The author then considered various market factors in recommending that a fair market value for the Altitude North Project would be between 50% and 75% of the appraised value or cost base, or between \$113,000 and \$170,000. The Share Purchase Agreement attributes a notional purchase price of \$160,000 for the Altitude North Project.

A copy of the Kaybri Report is available for inspection at Altitude’s head office located at #1100, 736 – 8th Avenue SW, Calgary, AB T2P 1H4. A copy of the Kaybri Report will be sent to any Altitude Shareholder upon request without charge and is also available on the Company’s SEDAR profile at www.sedar.com.

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

This material change report is not being filed on a confidential basis.

ITEM 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

ITEM 8 Executive Officer

The name and telephone number of the director of the Company who is knowledgeable about the material change and the material change report is:

Doug Porter, Chief Financial Officer and Interim Corporate Secretary
Tel: 403-870-4349

ITEM 9 Date of Report

December 21, 2018

Cautionary Note Regarding Forward-Looking Statements

This material change report contains statements that constitute “forward-looking statements.” Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause Altitude’s actual results, performance or achievements, or developments to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur.

Forward-looking statements in this document include, among others, statements relating to Altitude’s expectations regarding the completion of the Amalgamation (including the required approvals therefor), the Concurrent Financing, the U.S. Acquisitions, the Altitude Dispositions (including the Related Party Disposition), the business plans of the Resulting Issuer, Altitude’s proposed name change and other statements that are not historical facts. 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 and risks include, among others:

- that there is no assurance that the parties will obtain the requisite director, shareholder and regulatory approvals for the Amalgamation, the Subco Disposition and all matters ancillary thereto;
- there is no assurance that the Vibe Concurrent Financing will be completed or as to the actual offering price or gross proceeds to be raised in connection with the Concurrent Financing;
- there is no assurance that the U.S. Acquisitions will be completed or as to the terms and conditions of such acquisition or purchase price to be paid for the U.S. Targets;
- there is no assurance that the Subco Disposition will be completed as contemplated in the Share Purchase Agreement, or as to the consideration to be received by the Company in respect thereof;
- there is no assurance that Noir will be able to dispose of the assets comprising the Palisades Project or the Atrum Shares on terms satisfactory to the Company, or at all;
- following completion of the Amalgamation, the Resulting Issuer 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 Altitude;
- compliance with extensive government regulation;
- domestic and foreign laws and regulations could adversely affect the Resulting Issuer’s business and results of operations;

- the stock markets have experienced volatility that often has been unrelated to the performance of companies. These fluctuations may adversely affect the price of the Resulting Issuer's securities, regardless of its operating performance;
- adverse changes in the public perception of cannabis;
- decreases in the prevailing prices for cannabis and cannabis products in the markets that the Resulting Issuer will operate in; and
- there is no assurance that the Amalgamation will close on the terms anticipated or at all.

When relying on the Altitude's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and risks and other uncertainties and potential events. Altitude has assumed that the material factors referred to in the previous paragraphs 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. Altitude undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS MATERIAL CHANGE REPORT REPRESENTS THE EXPECTATIONS OF ALTITUDE AS OF THE DATE OF THIS MATERIAL CHANGE REPORT 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 ALTITUDE MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.