

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Aura Health Inc. (the “**Company**”)
77 King Street West, Suite 2905
Toronto, ON M5K 1H1

Item 2 Date of Material Change

May 17, 2019

Item 3 News Release

A news release (the “**News Release**”) with respect to the material changes described herein was issued by the Company on May 17, 2019 through the facilities of Globe Newswire and was filed under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”).

Item 4 Summary of Material Change

The Company closed the acquisition of an 80% equity interest in Pharmadrug Production GmbH for total consideration of €5.0 million. The Company satisfied the escrow release conditions pursuant to its private placement of a cumulative amount of 21,545,454 subscription receipts.

See Schedule A for a copy of the News Release for additional information.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

A full description of the material change may be found in the news release enclosed hereto at Schedule “A”.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Daniel Cohen, Chief Executive Officer
Telephone: 1-647-202-1824

Item 9 Date of Report

May 17, 2019

SCHEDULE “A”



AURA ANNOUNCES STRATEGIC ENTRY INTO THE EUROPEAN MARKET WITH THE CLOSING OF THE ACQUISITION OF PHARMADRUG

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES.

Toronto, Ontario, May 17, 2019 – Aura Health Inc. (the “**Company**” or “**Aura**”) (**CSE:BUZZ**) is pleased to announce that it has closed the previously announced (May 8, 2019) acquisition of an 80% equity interest in Pharmadrug Production GmbH (“**Pharmadrug**”) for total consideration of €5.0 million. Pharmadrug is a cash flow positive German pharmaceutical distribution company with over 20 years of operating history and a Schedule I European Union narcotics license allowing for the distribution of medical cannabis to pharmacies in Germany and throughout the Eurozone as markets become legalized. Pharmadrug has supply agreements in place with Bedrocan International B.V., Canadian Licensed Producers, and is currently supplying medical cannabis to pharmacies in Germany.

Daniel Cohen, CEO of Aura, commented, “This is a historic day in the early life of Aura, having closed on our first flagship transaction. This acquisition establishes Aura in the European market as a medical cannabis supplier in Germany and opens doors to opportunities throughout the rest of the continent. Pharmadrug is a strong strategic fit with our Israel cultivation project and the opening of the Israeli export law. We now have a strategic avenue to export our own medical cannabis from Israel into the European Union. In addition, we plan to significantly grow the Pharmadrug business through additional supply agreements with other Canadian, Israeli, and European LPs.”

The Company has satisfied the escrow release conditions pursuant to its previously announced private placement of a cumulative amount of 21,545,454 subscription receipts (each, a “**Subscription Receipt**”) at a price of \$0.22 per Subscription Receipt for gross proceeds of approximately \$4.74 million and has successfully drawn \$3 million from its previously announced bridge facility (see the press release issued by Aura on May 8, 2019).

Resignation of Mr. Freudman

Aura also announces that Joel Freudman has resigned as a director in order to focus on his other business ventures. Aura thanks Mr. Freudman for his corporate governance advice while also helping the Company through its first audit as a publicly-traded company. The Company is in discussions with other qualified candidates to replace Mr. Freudman and will be making an announcement once such replacement has been confirmed.

About Aura Health Inc.

Aura Health is building an international network of vertically integrated cannabis assets. Through an established product line of cannabis-infused edible products and oil extracts, Aura is dedicated to building a high margin downstream business in the medical marijuana sector. The Company owns 80% of Pharmadrug, a German medical cannabis and pharmaceutical distributor, as well as debt that converts to 54% equity of HolyCanna, a cultivation and nursery license holder in Israel. Aura also has a binding letter of intent to purchase CannabiSendak, the builder of a network of high-profile dispensaries in Israel.

For further information, please contact:

Daniel Cohen, CEO

Aura Health Inc.
(647) 202-1824

David Posner, Chairman

Aura Health Inc.
(647) 985-6727

Caution Regarding Forward-Looking Information:

THE CANADIAN SECURITIES EXCHANGE HAS NOT REVIEWED NOR DOES IT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This news release may contain forward-looking statements and information based on current expectations. These statements should not be read as guarantees of future performance or results of Pharmadrug or Aura. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Such statements include reference to Aura's expansion through Europe, and the entering into of additional supply agreements, among others. There is no certainty that any of these events will occur. Although such statements are based on management's reasonable assumptions, there can be no assurance that such assumptions will prove to be correct. We assume no responsibility to update or revise them to reflect new events or circumstances.

The Company's securities have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. Persons", as such term is defined in Regulation S under the U.S. Securities Act, absent registration or an applicable exemption from such registration requirements. 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 the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful.

Additionally, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein, such as, but not limited to dependence on obtaining regulatory approvals, owning interests in companies or projects that are engaged in activities currently considered illegal under United States federal law; changes in laws; limited operating history, reliance on management, requirements for additional financing, competition, hindering market growth; regulatory and political change.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.