

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

October 3, 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 October 3, 2019 through the facilities of Newsfile Corp. and was filed under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”).

Item 4 Summary of Material Change

1. The Company amended its CAD \$3 million bridge loan facility (the “**Bridge Loan Facility**”) with a private lender (the “**Lender**”) dated May 8, 2019, to mature on March 24, 2020.
2. The Company has agreed to pay the Lender a restructuring fee of CAD \$180,000, payable in cash or shares of the company in connection with the extension of the maturity date of the Bridge Loan Facility.

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

October 8, 2019

SCHEDULE "A"



Aura Announces Extension of Maturity and Partial Repayment of Bridge Loan Facility

Toronto, Ontario--(Newsfile Corp. - October 3, 2019) - Aura Health Inc. (**CSE: BUZZ**) (**OTC: LMLLF**) (the "**Company**" or "**Aura**") is pleased to announce that the CAD\$3 million bridge loan facility (the "**Bridge Loan Facility**") entered into by the Company and a private lender (the "**Lender**") on May 8, 2019, has been amended to mature in six months on March 24, 2020 (the "**Maturity Date**"). The outstanding principal and accrued interest on the Bridge Loan Facility shall be due and payable in full by the Company on the Maturity Date. The Company is entitled to prepay all or any part of the Bridge Loan Facility at any time and from time to time.

The Company is also pleased to announce the partial repayment to the Lender of CAD\$1,374,715.06 of the principal amount of the Bridge Loan Facility. The remaining principal amount of the Bridge Loan Facility is CAD\$1,625,284.94, excluding accrued and unpaid interest. In connection to the share exchange agreement entered into by FSD Pharma Inc. ("**FSD**") and the Company (the "**Share Exchange Agreement**"), FSD has issued an additional 12,440,298 common shares of FSD (the "**FSD Additional Shares**") to the Company as part of the make-whole provision, subject to the applicable statutory hold period. Upon the expiry of the statutory hold period on the FSD Additional Shares, the Company may sell the securities for gross proceeds that would be further used to repay the outstanding balance of the Bridge Loan Facility. In connection with the extension of the Maturity Date, the Company has agreed to pay to the Lender a restructuring fee of CAD\$180,000, payable in cash or Aura shares at the option of the Lender, and to also issue to the Lender additional Aura shares having a value equal to 20% of the net proceeds from the sale of the FSD Additional Shares based on Aura's current share price.

About Aura Health Inc.

Aura Health is building a vertically integrated cannabis business focused on Europe and Israel. The Company (i) owns 80% of Pharmadrug, a German medical cannabis distributor, with a Schedule I European Union narcotics license allowing for the importation and distribution of medical cannabis to pharmacies in Germany and throughout the EU, (ii) owns a convertible note convertible into 54% of the outstanding equity of HolyCanna Ltd., a cultivation and nursery license holder in Israel, and (iii) agreement to own 57% of CannabiSendak Ltd., the builder of a network of dispensaries in Israel. Additionally, through significant extraction IP, Aura is dedicated to building a high-margin, downstream business of end-user products.

For further information, please contact:

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1824

David Posner, Chairman

Aura Health Inc. (647) 985-6727

Deborah Honig, Investor Relations

Adelaide Capital Markets
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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 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 the price of FSD shares or Aura's ability to sell these shares subsequent the statutory hold period. 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; the ability to locate additional supply of medical cannabis, 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.

To view the source version of this press release, please visit

<https://www.newsfilecorp.com/release/48469>