Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Pac Roots Cannabis Corp. (the **"Company"**)
#300-1055 West Hastings Street
Vancouver, British Columbia, V6E 2E9

Item 2 Date of Material Change

April 28, 2020

Item 3 News Release

A news release was disseminated on April 29, 2020 through the facilities of Accesswire.

Item 4 Summary of Material Change

The Company has:

(a) completed its previously announced acquisition of an application for a license under the Cannabis Act (Canada), indirectly through the acquisition of 1157630 B.C. Ltd. (the "**Acquisition**")
(b) completed the licensing arrangement with Phenome One Corp. ("**Phenome**"), a private held full service live genetic cannabis company;
(c) completed a non-brokered private placement raising aggregate gross proceeds of $1,650,000 (the "**Placement**");
(d) changed its name from Mountain Lake Minerals Inc. to "Pac Roots Cannabis Corp.";
(e) appointed Patrick Elliott as a director, President and CEO and appointed William Fleming as CFO and Corporate Secretary; and
(f) fixed April 28, 2020 as the record date for the proposed distribution of shares of 1167343 B.C. Ltd. ("**Newco**") under the arrangement agreement dated June 5, 2018 (the "**Arrangement Agreement**").

Item 5 Full Description of Material Change

<u>Acquisition</u>

Under the provisions of the Acquisition, the Company acquired all of the issued and outstanding securities of 1157630 B.C. Ltd. (the "**Target**") in consideration of the issuance of 40,000,000 common shares of the Company (the "**Payment Shares**"). The Target is now a wholly owned subsidiary of the Company. All of the Payment Shares are subject to escrow pursuant to the policies of the Canadian Securities Exchange (the "**CSE**") and will be released from escrow based on the passage of time, such that 10% of the securities were released on closing and the balance will be released in six equal tranches of 15% every six months thereafter. An additional, 3,383,333 common shares were issued to a historical owner of the Target's wholly owned subsidiary, Go Green Medicinal Marijuana Ltd. ("**Go Green**"), which common shares are subject to resale restrictions expiring on August 29, 2020.

Go Green holds an application for a license under the Cannabis Act (Canada) which has advanced through the review and security clearance stages of the license application process.

Upon the completion of the closing of the Acquisition, the Company issued 200,000 common shares to Matthew McGill pursuant to a finder's fee agreement dated June 6, 2018 (the "**Finder's Fee Agreement**") entered into in association with the Acquisition. These shares are subject to a hold period under securities laws ending on August 29, 2020 and are also held in escrow on the same terms as the Payment Shares. Mr. McGill is a director of the Company and thus a related party to the Company. At the time the Finder's Fee Agreement was executed however, Mr. McGill was not associated with the Issuer and as a result the Finder's Fee Agreement and the issuance of the common shares thereunder does not constitute a 'related party transaction' pursuant to Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions*.

Phenome One License

The Company entered into a genetic licensing royalty agreement dated April 8, 2019, as amended (the "**Licensing Agreement**") with Phenome. The Licensing Agreement provides the Company with access to Phenome's library of cultivars as well its farming intellectual property ("**IP**"). The Company will also be granted access to Norstar Nutrients' ("**Norstar**") nutrient IP and catalogue.

In consideration for the rights granted to the Company under the Licensing Agreement, the Company will pay an aggregate of $250,000 in cash and issue an aggregate of 10,000,000 common shares in the capital of the Company to Phenome over a 30-month period, of which 2,500,000 common shares were issued upon closing.

The Company will also make non-refundable, non-creditable royalty payments to Phenome equal to five percent (5%) of gross sales of products. The Company will acquire a 50% interest in all hybrid cultivars generated the breeding program at the Lake Country facility.

Private Placement

In connection with the closing of Acquisition and License, the Company completed a non-brokered private placement (the "**Placement**") generating aggregate gross proceeds of $1,650,000 through the issuance of 5,500,004 units at a price of $0.30 per unit (each a "**Unit**").

Each Unit comprised one common share of the Company and one share purchase warrant entitling the holder to acquire one additional common shares of the Company at an exercise price of $0.50 per share until April 28, 2022.

Finder's fees of $63,906.49 were paid to registrants along with the issuance of 213,022 finder's warrants on the same terms as the warrants forming part of the Units.

All of the securities issued in the Placement are subject to resale restrictions expiring on August 29, 2020.

Two insiders of the Company participated directly and indirectly in the Placement acquiring an aggregate of 378,850 Units on the same basis as other subscribers as follows:

(a) Mr. Matthew McGill purchased directly 167,000 Units for an aggregate cost of $50,100.00;
(b) Mr. Patrick Elliott purchased directly 78,750 Units for an aggregate cost of $23,625.00; and
(c) Mr. Patrick Elliott purchased indirectly through Lexore Capital Corp. 133,100 Units for an aggregate cost of $39,930.

As Mssrs. Elliott and McGill are directors of the Company of the Company, they are “related parties” to the Company within the meaning of Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("MI 61-101"). As such, the Insider Participation, constitutes a "related party transaction" within the meaning of MI 61-101.

Prior to the Insider Participation, Ms. Elliott and McGill held no common shares in the Company. The respective participations of Mssrs. McGill and Elliott constitute approximately 1% of the Company’s issued and outstanding shares, prior to the completion of the Acquisition and License.

Each of Mssr. Elliott and McGill also received securities pursuant to the Acquisition, which was negotiated by the Company prior to either Mssrs. Elliott or McGill joining the board of the Company and thus that acquisition is not a ‘related party transaction’ within the meaning of MI 61-101.

Other than the subscription agreements between Mssrs. Elliott and McGill and the Company relating to the Placement, the Company has not entered into any agreement with an interested party or a joint actor with an interested party in connection with the Placement.

The board of directors approved the Placement. There are no prior valuations in respect of the Company or the Placement and neither the board of the Company nor its officers are aware of the existence of any such valuation.

The Company is relying on exemptions from the formal valuation and minority approval requirements under MI 61-101. The Company relied on Section 5.5(a) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(a) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101 as the fair market value of the Placement in so far as the Placement involved interested parties did not exceed 25% of the Company's market capitalization.

The material change report in connection with the Placement was not filed 21 days in advance of the closing of the Placement for the purposes of Section 5.2(2) of MI 61-101 on the basis that the subscriptions under the Placement were not available to the Company until shortly before the closing.

Extension of Warrants

The Company also advises that it has extended the terms of 6,914,333 currently existing warrants exercisable at $0.50 per share expiring on dates ranging from March 29, 2020 to August 16, 2020 to April 28, 2021.

Changes to Board and Management

Following the completion of the Acquisition, Paul Smith resigned as President, Chief Executive Officer and Chief Financial Officer of the Company and as director.

Patrick Elliott, a founder of the Target has been appointed as the Company's President and CEO and a director and William Fleming has been appointed as the Company's Chief Financial Officer and Corporate Secretary.

CSE

The Company commenced trading on the Canadian Securities Exchange ("CSE") on May 4, 2020 under the symbol "PACR".

Update on Proposed Spin-Off of Mining Assets

Pursuant to the Arrangement Agreement, the Company will complete a plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement") which will result in the transfer of its interests in existing mineral properties along with $1,000,000 in cash, less advances previously made by the Company to Newco of $450,000, in exchange for the issuance of common shares of Newco on the basis of one common shares of Newco for each common share of the Company held. Newco also currently holds the Highfield property, located in Nova Scotia. The Arrangement was approved by the Company's shareholders on August 8, 2019 and received the final approval of the British Columbia Supreme Court on August 12, 2019.

The Company has determined to fix April 28, 2020 as the record date (the "Record Date") for the proposed distribution of Newco shares.

Additional Details

Details of the Acquisition and the License are contained in the Company's listing statement dated April 28, 2020 which will be filed on the Company's profile on www.sedar.com and the website of the CSE at www.thecse.com.

Filing of Q4 2019 Financial Statements; Extension for Q1 2020

The Company has filed its audited annual financial statements and associated management's discussion and analysis ("MD&A") for the year ended November 30, 2019.

The Company has however delayed the release of its interim financial statements and associated MD&A for the three months ended February 29, 2020. The Company will be relying on the 45-day filing and delivery extension for periodic filings required to be made on or before June 1, 2020 as provided by the British Columbia, Alberta, and Ontario Commissions in their recent blanket orders in respect of:

- the requirement to file interim financial statements for the three-month period ended February 29, 2020 (the "Interim Financial Statements") within 60 days of the Company's first quarter as required by section 4.4(b) of National Instrument 51-102 ("NI 51-102");
- the requirement to file MD& for the period covered by the Interim Financial Statements within 60 days of the Company's first quarter as required by section 5.1(2) of NI 51-102;
- the requirement to file certifications of the Interim Financial Statements (the "Interim Certificates" and collectively with the Interim Financial Statements and MD&A, the "Interim Filings") pursuant to section 5.1 of NI 52-109;

The Interim Filings were filed on Friday, May 1, 2020.

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

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 **Omitted Information**

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

Item 8 **Executive Officer**

Patrick Elliott is knowledgeable about the material change and the Report and may be contacted (604)-609-6171.

Item 9 **Date of Report**

May 6, 2020