

**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**

May 29, 2020

**Item 3**            **News Release**

A news release was disseminated on June 1, 2020 through the facilities of Accesswire.

**Item 4**            **Summary of Material Change**

The Company has executed a binding letter of intent dated May 29, 2020 (the “LOI”) with a private British Columbia company (“BC Co”) to form a joint venture called Rock Creek Farms, a proposed 100 acre commercial hemp operation located in Rock Creek, British Columbia (the “Joint Venture”).

Additionally, Mr. William Fleming resigned as a director and as Chief Financial Officer and Corporate Secretary of the Company. In order to fill the vacancy left by Mr. Fleming, the Company appointed Jim Henning as its Chief Financial Officer and Corporate Secretary.

**Item 5**            **Full Description of Material Change**

The Company entered into the LOI with BC Co in respect of the Joint Venture, which will be owned 60% by Pac Roots and 40% by BC Co. The Company’s contribution to the Joint Venture will be an aggregate of \$450,000 in capital, of which \$100,000 was funded upon the execution of the LOI. BC Co. will contribute two commercial leases for over 100 acres of growing space, consulting services, cultivation equipment, agricultural infrastructure and intellectual property relating to commercial scale hemp operations and proprietary biomass storage techniques. Profits generated from the joint venture will be distributed first to the Company until its capital contributions have been repaid and thereafter in accordance with the interests in the joint venture held by the parties. The LOI is intended to be replaced with a formal joint venture agreement governing the operations of Rock Creek Farms on or before June 30, 2020.

BC Co. is controlled by Marc Geen, Alexander Kaulins and M&J Orchards, a Geen family company. In accordance with the Industrial Hemp Regulations of the Cannabis Act (Canada), an industrial hemp license from Health Canada was issued on May 22nd, 2020 for the addresses relating to the acreages noted above. The license allows the collective to cultivate, sell, import, export, possess and process industrial hemp until March 15th, 2021.

As Marc Geen is a controlling shareholder of BC Co and a director of the Company, the joint venture transaction constitutes a "related party transaction" as such term is defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is relying on exemptions from the formal valuation and minority approval requirements under MI 61-101. The Company intends to rely 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 consideration to be contributed by the Company represented less than 25% of the Company's market capitalization. Mr. Geen abstained from voting on the resolutions approving the joint venture transaction and declared his interests in BC Co to the board.

Additionally, Mr. William Fleming resigned as a director and as Chief Financial Officer and Corporate Secretary of the Company. In order to fill the vacancy left by Mr. Fleming, the Company appointed Jim Henning as its Chief Financial Officer and Corporate Secretary.

**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**

June 9, 2020