

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

July 17, 2020

Item 3 News Release

A news release was disseminated on July 21, 2020 through the facilities of Accesswire.

Item 4 Summary of Material Change

The Company has executed a share purchase agreement dated for reference July 14, 2020 (the “Share Purchase Agreement”) with 1088070 B.C Ltd. (“BC Co”) and its shareholders to acquire all of the issued and outstanding shares of BC Co.

Item 5 Full Description of Material Change

The Company entered into the Share Purchase Agreement with BC Co and its shareholders for the acquisition of BC Co. BC Co owns nine parcels of lands comprising 250 acres in the Fraser Valley Region of B.C.

The Company has entered into a 51-day due diligence period before the closing date which is slated for September 4, 2020. If the Company is not satisfied with the results of its investigations, in its sole discretion, it may determine to terminate the share purchase agreement at any time during the due diligence period. As consideration for the BC Co shares, the Company will pay an aggregate of \$1.5 million in cash and issue an aggregate of 3 million common shares to the shareholders of BC Co, pro rata in accordance with their holdings as follows:

- (a) 375,000 shares to be issued on or before the date which is 30 days from the date of Closing (the “Closing Date”);
- (b) \$200,000 within three months of the Closing Date;
- (c) \$300,000 in cash and 562,500 common shares within 12 months of the Closing Date;
- (d) \$400,000 in cash and 937,500 common shares within 18 months of the Closing Date; and
- (e) \$600,000 and 1,125,000 common shares within 24 months after the Closing Date.

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**

July 24, 2020