

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**

February 17, 2021

Item 3 **News Release**

A news release was disseminated on February 24, 2021 through the facilities of Accesswire.

Item 4 **Summary of Material Change**

The Company has closed its previously announced non-brokered private placement raising aggregate gross proceeds of \$1,340,685.90 (the “Placement”);

Item 5 **Full Description of Material Change**

The Company has closed its previously announced non-brokered private placement raising aggregate gross proceeds of \$1,340,685.90 through the issuance of 7,448,255 units at a price of \$0.18 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 share of the Company at an exercise price of \$0.30 per share until February 3, 2024.

Finder’s fees of \$75,294.51 were paid to registrants along with the issuance of 4-8,303 finder’s warrants, each exercisable at a price of \$0.18 per share until February 23, 2024.

All of the securities issued in the Placement are subject to resale restrictions expiring on June 24, 2021.

An insider of the Company participated indirectly in the Placement, being Mr. Patrick Elliott through Lexore Capital Corp., which acquired 555,555 Units for an aggregate cost of \$99,999.90 (the “Insider Participation”).

As Mr. Elliott is a director and officer of the Company, he is a “related party” 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. The participation in the Placement by Mr. Elliott did not materially change his holdings.

Other than the subscription agreements between Mr. Elliott 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.

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

February 24, 2021