

FORM 51-102F3
Material Change Report

1. Name and Address of Company

Cannabix Technologies Inc. (the “**Company**”)
501 - 3292 Production Way
Burnaby, BC V5A 4R4

2. Date of Material Change

May 15, 2024

3. News Release

The news release was issued on May 16, 2024 through Globe News Wire and filed on SEDAR+ on May 16, 2024.

4. Summary of Material Change

The Company entered into a strategic partnership and development agreement dated May 15, 2024 (the “**Agreement**”) with Omega Laboratories Inc of Ohio, USA (“**Omega Laboratories**” or “**Omega**”).

5. Full Description of Material Change

5.1 Full Description of Material Change

The Company entered into the Agreement with Omega. Pursuant to the Agreement, Cannabix and Omega Laboratories (together, the “**Parties**”) have agreed to, among other things, complete research and development, refine and expand the use of Cannabix’s technology to meet existing and emerging needs of Omega’s clients, contemplate manufacturing and distribution and introduce the delta9 THC breath testing technology to customers in North America.

Highlights

- Cannabix and Omega have entered into the Agreement for the purpose of facilitating a pathway for commercialization of Cannabix’s innovative technology.
- Omega will be the exclusive laboratory in North America to process and analyze Cannabix delta9 THC breath sample cartridges in conjunction with its Breath Collection Unit and Mass Spectrometer Breath Sampler technology (the “**Cannabix Hardware**”) for five (5) years.
- The Agreement contemplates critical steps to further Cannabix’s technology from the research and development stage to commercialization.
- Pursuant to the Agreement, the Parties agreed to key milestones that will provide mutual benefits to each of Cannabix and Omega including validation of results, publication of validation results to industry journals, and enter into potential large-scale studies and testing agreements with Omega’s clients.
- The Agreement contemplates hardware licence fees, revenues, future manufacturing, distribution arrangements, carve outs and leaves the door open for additional agreements in other global jurisdictions.
- Omega will become a shareholder of Cannabix (as more particularly described below) and, pursuant to the Agreement, Omega was granted the right to appoint a director to the

Company's board of directors, subject to certain conditions including, but not limited to, the Board Right Threshold (as defined below).

Agreement Terms

The Agreement includes an "R&D Phase" and "Commercial Phase" and "Exclusive Testing" of Cannabix's delta9 THC breath sample cartridges for drugs for five (5) years within North America, subject to certain exemptions as set out in the Agreement. The R&D phase covers key milestone developments where the Parties will work within Omega's certified laboratories. During the Commercial Phase of the Agreement, the Parties will determine pricing, licensing and other revenue parameters.

As consideration for the completion of specific milestones by Omega and to align the interests of both Parties, Omega will receive : (i) 1,000,000 common shares of the Company (each, a "**Common Share**"), which will be issued by the Company to Omega in conjunction with the execution of the Agreement; and (ii) an aggregate of 11,000,000 special warrants (the "**Special Warrants**") of the Company that will vest and automatically convert into Common Shares (each, a "**Special Warrant Share**") upon the occurrence of specific milestones as set out in the Agreement and summarized as follows:

R&D Phase

- 3,000,000 of the Special Warrants will convert into Special Warrant Shares upon Omega completing a Validation Packet for Cannabix Hardware under forensic testing validation requirements. Omega will have six (6) months from the date of the Agreement to complete and certify a Validation Packet of Cannabix Hardware;
- 2,000,000 of the Special Warrants will convert into Special Warrant Shares upon Omega successfully converting the Validation Packet data into a white paper for publishing in peer reviewed journal and the submission of a formal proposal to use Cannabix Hardware in a prominent study. Omega will have twelve (12) months from the date of the Agreement to complete this milestone; and
- 2,000,000 of the Special Warrants will convert into Special Warrant Shares upon Omega successfully achieving detection of a panel of drugs ("**Drug Panel**") using existing or enhanced Cannabix Hardware. Achieving a Drug Panel would entail establishing that the Cannabix Hardware could detect multiple drug species in breath in addition to delta9 THC.

Commercial Phase

- Subject to the achievement of the "R&D Phase" milestones: (i) 2,000,000 of the Special Warrants will convert into Special Warrant Shares upon Omega entering into a commercial testing agreement (a "**Testing Agreement**") with three (3) of its clients for employee drug testing; and (ii) 2,000,000 of the Special Warrants will convert into Special Warrant Shares upon Omega entering into a Testing Agreement with three (3) law enforcement organizations (being either state, civic or municipal police agencies).

The Special Warrants expire on the date that is five (5) years from the date of execution of the Agreement. All securities issuances described herein remain subject to the approval of the Canadian Securities Exchange, if necessary. All securities issued pursuant to the Agreement are subject to a four-month plus one day hold period.

Manufacturing, Distribution, Intellectual Property and Other Terms

- During the Commercial Phase, the Parties have agreed that they will negotiate to enter into a distribution agreement with Omega for the North American distribution of Cannabix Hardware.
- During the Commercial Phase, the Parties may negotiate to enter into a manufacturing and/or license agreement whereby Omega would manage the manufacturing of the Cannabix Hardware.
- For so long as Omega holds at least 3,000,000 Common Shares, Omega will have the right to appoint one person to the board of directors (the “**Board Right Threshold**”).
- Omega will have a right of first refusal for a period of two (2) years after the date of the Agreement to participate in future equity private placements conducted by the Company.
- Under the Agreement, Cannabix will retain interest to all developed and background intellectual property.

For more information on the Agreement, please see the Company’s news release dated May 16, 2024 filed under the Company’s profile on [sedarplus.ca](https://www.sedarplus.ca).

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

None.

8. Executive Officer

Ravinder Mlait, Chief Executive Officer
Telephone: (604) 551-7831

9. Date of Report

May 16, 2024