

**FORM 51-102F3  
NATIONAL INSTRUMENT 51-102**

**MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF NI 51-102**

**FILED VIA SEDAR**

**Item 1.        Name and Address of Company**

GreenBank Capital Inc. (the "Company")  
208 Queens Quay West, Suite 2506  
Toronto, Ontario M5J 2Y5

**Item 2.        Date of Material Change**

A material change took place on April 14, 2014

**Item 3.        News Release**

On April 14, 2014 a news release was released through the facilities of Newsfile Corp.

**Item 4.        Summary of Material Change**

The Company announced that it has determined to enter into the medical marijuana business and has established a new subsidiary, Canada Marijuana Agricorp Inc which intends to apply for a marijuana producer license under the new Marijuana for Medical Purposes Regulations Health Canada program.

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

The material change is described in the Company's news release of April 14, 2014 which is attached hereto as Schedule "A" and is incorporated herein.

In 2001, Canada implemented a government-run program for medical marijuana access. The original regulations permitted approved persons access to either grow the product or seek supply from Health Canada. Health Canada issued new regulations in June 2013 effective April 1, 2014 that will replace government supply and home-grown medical marijuana with highly secure and regulated commercial operations, subject to the granting of a medical marijuana producer license under the new Marijuana for Medical Purposes Regulations.

The Company has determined to enter the medical marijuana business and has established a new subsidiary, Canada Marijuana Agricorp Inc which intends to apply for a medical marijuana producer license. There is no guarantee that such a license application will be approved. Canada Marijuana Agricorp has entered into an agreement to lease 20 acres of suitable land near Tweed, Ontario which it proposes to utilize for the commercial production of medical marijuana. The lease is for an initial term of three years with options to renew. It has also engaged a local consultant to supervise growing

operations, and aims to commence commercial marijuana growing subject to the granting of a license. Power for growing operations will be provided by solar energy, and plans are being formulated for the construction of greenhouses and storage facilities to facilitate year round production capabilities. The use of greenhouses will facilitate the growing of marijuana through hydroponic processes. The construction of greenhouses and storage facilities as well as the infrastructure that may be necessary to comply with requirements of the Health Canada regulations will require additional financing to be raised by the Company. There is no guarantee that such financing will be available, or if available that such financing will be on terms acceptable to the Company.

While a background in the growing of marijuana specifically may be helpful, the nature of growing marijuana does not differ substantially from the nature of growing any other agricultural product in a greenhouse and these skills are generally available. Differentiation in the strains of medical marijuana is primarily achieved through the procurement of seeds. Obtaining seeds for growing medical marijuana must be done in accordance with the regulations. Seeds must be obtained from a legal source which includes seeds acquired from Health Canada, seeds imported from a jurisdiction allowed to export seeds or seeds acquired from a designated grower. An authorization from Health Canada is required to conduct such a transaction.

### **Medical Marijuana Market**

Health Canada indicates that as of December 2012 there were 28,115 individuals licensed to possess and consume dried marijuana for medicinal purposes in Canada. Health Canada officials have been widely quoted as stating that Health Canada anticipates the number of Canadians authorized to consume medical marijuana could be as high as 450,000 by 2024.

According to the Regulatory Impact Analysis Statement prepared by the Department of Health the average dosage for licenses granted to individual users by Health Canada is ten grams of marijuana per day with an average retail price of \$8.80 per gram. Under the new regulations users are no longer required to obtain a license to possess marijuana from Health Canada. Instead, users must obtain a prescription and medical approval from their physician or nurse practitioner and provide the medical document to the Licensed Producer from which they wish to purchase marijuana.

On March 21, 2014 the Federal Court of Canada issued an order in response to a motion brought by four individuals. Among other things, the Federal Court injunction exempts existing patients currently licensed to possess and grow medical marijuana from compliance with the new Health Canada regulations for commercial growers, but does not affect the new licensing system. The injunction is temporary until a final ruling takes place which could be within one year. The impact of this ruling is yet to be determined.

### **Risk Factors**

The medical marijuana market is competitive and changing rapidly, and the following risk factors, which may not be fully comprehensive, may impact the Company:-

#### ***Reliance on granting and maintaining a Producer License***

Canada Marijuana Agricorp's ability to grow, store and sell medical marijuana in Canada is dependent on obtaining and maintaining a License from Health Canada. Failure to obtain a License

and comply with requirements of the License or any failure to maintain a License would have a material adverse impact on the business of Canada Marijuana Agricorp and the Company.

#### ***Regulatory Risks***

The activities of Canada Marijuana Agricorp are subject to regulation by governmental authorities, particularly Health Canada. Achievement of Canada Marijuana Agricorp's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. Canada Marijuana Agricorp cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of Canada Marijuana Agricorp and the Company.

#### ***New Business Risks***

Canada Marijuana Agricorp has yet to generate revenue from the sale of products, and is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that Canada Marijuana Agricorp will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

#### ***Additional Financing***

The commencement and operation of Canada Marijuana Agricorp's facilities and business will be capital intensive and will require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's development and may have a material adverse effect upon future profitability.

#### ***Competition***

It is likely that Canada Marijuana Agricorp will face intense competition from other companies, some of which may have longer operating histories and more financial resources and experience, which could materially and adversely affect Canada Marijuana Agricorp and the Company. Due to the early stage of the medical marijuana industry, Canada Marijuana Agricorp expects to face additional competition from new entrants.

#### ***Risks Inherent in an Agricultural Business***

Canada Marijuana Agricorp's business will involve the growing of medical marijuana, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. There can be no assurance that natural elements will not have a material adverse effect on the production of its products.

### ***Vulnerability to Rising Energy Costs***

Medical marijuana growing operations consume considerable energy, and are vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of Canada Marijuana Agricorp and its ability to operate profitably.

### ***Unfavourable Publicity or Consumer Perception***

The medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical marijuana produced, and consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research finding, or publicity will not adversely affect the Company.

### ***Insurance and Product Liability***

Medical marijuana is ingested by humans, and therefor Canada Marijuana Agricorp faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of marijuana products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of marijuana products alone or in combination with other medications or substances could occur. Canada Marijuana Agricorp may be subject to various product liability claims, including, among others, that its products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. Product liability claims or regulatory action could result in increased costs, and could have a material adverse effect on results of operations and financial condition. There can be no assurances that Canada Marijuana Agricorp will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Canada Marijuana Agricorp's potential products.

### ***Conflicts of Interest***

Certain of the directors and officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and its subsidiaries and as officers and directors of such other companies.

**Item 6. Reliance on Section 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis in reliance on section 7.1(2) of National Instrument 51-102.

**Item 7. Omitted Information**

No significant information has been omitted from this Material Change Report.

**Item 8. Executive Officer**

For further information, contact Daniel Wettreich, CEO, at (647) 931 9768.

**Item 9. Date of Report**

This report is dated at Toronto this 14<sup>th</sup> day of April, 2014.

**GREENBANK CAPITAL INC.**

Per: /s/ Danny Wettreich  
Danny Wettreich, CEO

**SCHEDULE "A"**

This news release is not for distribution or dissemination in the United States of America



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## **GREENBANK TARGETS MEDICAL MARIJUANA BUSINESS**

### **New subsidiary Canada Marijuana Agricorp Inc**

#### **intends to apply for medical marijuana producer license**

Toronto, Ontario, April 14, 2014 – GreenBank Capital Inc. (CSE: GBC) ("GreenBank" or "the Company"), announces that it has determined to enter the medical marijuana business and has established a new subsidiary, Canada Marijuana Agricorp Inc which has entered into an agreement to lease 20 acres of suitable land near Tweed, Ontario which it proposes to utilize for the commercial production of medical marijuana.

Canada Marijuana Agricorp intends to apply for a medical marijuana producer license under the new Marijuana for Medical Purposes Regulations Health Canada program, and aims to commence commercial medical marijuana growing operations as soon as its producer license is granted. The lease of the Tweed, Ontario land is for an initial term of three years with options to renew. Power for growing operations will be provided by solar energy, and a local consultant has been engaged to supervise growing operations. Plans are being formulated for the construction of greenhouses and storage facilities to facilitate year round production capabilities. The use of greenhouses will facilitate the growing of medical marijuana through hydroponic processes.

The market for medical marijuana in Canada is controlled by and subject to regulation, and the commercial medical marijuana industry is a new industry. Commencing April 1, 2014 the only legal access to marijuana for medical purposes will be through licensed producers. Health Canada anticipates that the number of Canadians authorized to consume medical marijuana is anticipated to be 450,000 by 2024.

**“GreenBank’s subsidiary Canada Marijuana Agricorp intends to provide affordable, safe, regulated, high quality medical marijuana for medical marijuana patients in Canada seeking pain relief medication. We look forward to complying with all applicable Health Canada regulations as we establish commercial production of medical marijuana. The Canadian government predicts a \$1.3 billion industry in 10 years and we intend to participate in this fast growing business opportunity” said Danny Wettreich, CEO of GreenBank.**

**GreenBank has previously announced its intention to make Bitcoin related investments through its subsidiary Bitcoin Angel Capital Inc. which is focused on investing in early stage Bitcoin and other cryptocurrency companies, and which has recently acquired 20% of Sovereign Bitcoin Exchange.**

### **About GreenBank**

**GreenBank is a corporate finance investment business investing in Canadian small cap companies. GreenBank’s subsidiary Canada Marijuana Agricorp intends to be a commercial producer of medical marijuana, and GreenBank’s subsidiary Bitcoin Angel Capital is seeking to make investments in early stage Bitcoin and other cryptocurrency companies. For more information please see [www.GreenBankCapitalinc.com](http://www.GreenBankCapitalinc.com) or contact Danny Wettreich at (647) 931 9768 or [dw@GreenBankCapitalinc.com](mailto:dw@GreenBankCapitalinc.com)**

**Forward-Looking Information:** This press release may include forward-looking information within the meaning of Canadian securities legislation, concerning the business and trading in the common stock of GreenBank Capital Inc. The forward-looking information is based on certain key expectations and assumptions made by the company's management. Although the company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the company can give no assurance that they will prove to be correct. These forward-looking statements are made as of the date of this press release and the company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

**The CSE has not reviewed, approved or disapproved the content of this press release**