

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Integrated Cannabis Company, Inc. (the “**Company**”)
789 West Pender Street, Suite 810
Vancouver, BC V6C 1H2

Item 2. Date of Material Change

May 24, 2019.

Item 3. News Release

News Release dated May 24, 2019 was disseminated via Stockwatch and filed on SEDAR on May 24, 2019.

Item 4. Summary of Material Change

The Company has completed the acquisition of 1200665 B.C. Ltd.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that further to its press releases dated April 15 and May 22, 2019, and pursuant a share exchange agreement dated May 21, 2019 (the “**Definitive Agreement**”) among the Company, 1200665 B.C. Ltd., a private British Columbia company (“**TargetCo**”) and the shareholders of TargetCo (the “**Definitive Agreement**”), the Company has acquired all of the issued and outstanding shares of TargetCo (the “**Transaction**”). TargetCo, through its wholly-owned subsidiaries, is the owner of a cannabis cultivation business and license and of a cannabis manufacturing business and license in the state of Nevada.

In consideration for the Transaction and pursuant to the terms of the Definitive Agreement, Integrated Cannabis: (a) has issued an aggregate of 30,645,161 common shares of Integrated Cannabis (the “**Payment Shares**”) pro rata to shareholders of TargetCo at a deemed price of \$0.31 per Payment Share on the closing of the Transaction (the “**Closing Date**”); (b) will pay \$5,019,900 in cash, payable within 120 days following the Closing Date; and (c) will pay up to an additional \$7,480,100 in cash, payable upon TargetCo completing certain milestones after the Closing Date. Cash payments are expected to be funded from operating cash of the acquired businesses.

The Transaction may constitute a “related party transaction” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as Pardeep Luddu, a director of the Company, is a shareholder of TargetCo. TargetCo may therefore be considered a “related party” of the Company, requiring the Company, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the “related party transaction”. The Company is relying on an exemption from the formal valuation and minority shareholder approval requirements set out in MI 61-101 as the fair market value of the securities issued to Mr. Luddu does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

The acquisition of the cultivation and manufacturing assets will allow Integrated Cannabis to directly produce and develop its X-SPRAYS™ products and facilitate the expansion of the company’s business to enhance distribution to pharmacies and specialty retailers looking to carry products going forward.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officers

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Eugene Beukman, Chief Financial Officer
Telephone: 604- 687-2038

Item 9. Date of Report

DATED at Vancouver, BC, this 25th day of May, 2019.