

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

LEEF Brands Inc. (“**Company**”)
Suite 2500, Park Place, 666 Burrard Street
Vancouver, BC V6C 2X8

Item 2 Date of Material Change

December 11, 2024 and December 16, 2024

Item 3 News Release

The news releases with respect to the material change referred to in this report were disseminated via Accesswire on December 11, 2024 and GlobeNewswire on December 20, 2024 and subsequently filed under the Company’s profile on SEDAR+ at www.sedarplus.ca.

Item 4 Summary of Material Change

On December 11, 2024, the Company closed the first tranche of its private placement, issuing an aggregate of 8,473,500 units (the “**Units**”) of the Company at a price of C\$0.25 per Unit (the “**Issue Price**”), for aggregate gross proceeds of C\$2,118,375 (the “**First Tranche Offering**”).

On December 16, 2024, the Company closed the second tranche of its private placement, issuing an aggregate of 2,000,000 Units at the Issue Price, for aggregate gross proceeds of C\$500,000 (the “**Second Tranche Offering**”, and together with the First Tranche Offering, the “**Offering**”).

Pursuant to the Offering, the Company issued an aggregate of 10,473,500 Units at the Issue Price, for total aggregate gross proceeds of C\$2,618,375.

The net proceeds from the Offering will be strategically deployed to support the Company’s growth initiatives, including the completion of Salisbury Canyon Ranch and the pursuit of new market opportunities in line with the Company’s expansion plans, and for general working capital purposes.

Item 5.1 Full Description of Material Change

On December 11, 2024, the Company closed the First Tranche Offering, pursuant to which the Company issued an aggregate of 8,473,500 Units at the Issue Price, for aggregate gross proceeds of C\$2,118,375.

On December 16, 2024, the Company closed the Second Tranche Offering, pursuant to which the Company issued an aggregate of 2,000,000 Units at the Issue Price, for aggregate gross proceeds of C\$500,000.

Pursuant to the Offering, the Company issued an aggregate of 10,473,500 Units at the Issue Price, for total aggregate gross proceeds of C\$2,618,375.

Each Unit is comprised of one common share of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”). Each Warrant

will entitle the holder to acquire one Common Share at a price of C\$0.40 per Common Share for a period of two years from the date of issuance. The Warrants also include an acceleration clause, allowing the Company to accelerate the expiry date of the Warrants should the volume weighted average price of the Common Shares exceed C\$0.60 during any ten consecutive business day period.

The net proceeds from the Offering will be strategically deployed to support the Company's growth initiatives, including the completion of Salisbury Canyon Ranch and the pursuit of new market opportunities in line with the Company's expansion plans, and for general working capital purposes.

The Offering constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") because Micah Anderson, an insider of the Company, participated in the Offering, and acquired 140,000 Units for aggregate consideration of C\$35,000 (the "**Insider Participation**"). The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of the Insider Participation as the fair market value (as determined under MI 61-101) of the Insider Participation in the Offering is below 25% of the Company's market capitalization (as determined in accordance with MI 61-101). The Company did not file a material change report 21 days prior to the expected closing date of the First Tranche Offering as the details of the Offering had not been finalized at that time. The Offering was approved by the board of directors of the Company, with Micah Anderson having disclosed his interest therein and abstaining from voting thereon. The Company has not received, nor has it requested, a valuation of its securities or the subject matter of the Insider Participation in the 24 months prior to the date hereof.

In connection with the Offering, the Company paid an aggregate of C\$85,400 in cash fees and issued an aggregate of 341,600 finder's warrants (the "**Finder's Warrants**") to certain finders as compensation for introducing certain purchasers of Units to the Company. The Finder's Warrants have the same terms as the Warrants.

Item 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

Not applicable.

Item 8 Executive Officer

Kevin Wilson
 Chief Financial Officer and Chief Operating Officer
 Phone: 707-703-4111
 Email: ir@leef.com

Item 9

Date of Report

December 23, 2024

Cautionary Statement Regarding Forward-Looking Information:

This material change report contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively, "forward-looking statements") including, but not limited to, statements regarding the anticipated use of proceeds from the Offering.

Forward-looking statements reflect current expectations or beliefs regarding future events or the Company's future performance or financial results. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "targets" or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. All forward-looking statements, including those herein are qualified by this cautionary statement. Although the Company believes that the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the statements.

There are certain factors that could cause actual results to differ materially from those in the forward-looking information, including, but not limited to the risks disclosed in the Company's public filings under the Company's profile on SEDAR+ at www.sedarplus.ca. Accordingly, readers should not place undue reliance on forward-looking statements.

For more information on the Company, investors are encouraged to review the Company's public filings under its profile on SEDAR+ at www.sedarplus.ca.

The forward-looking statements and financial outlooks contained in this material change report speak only as of the date of this material change report or as of the date or dates specified in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.