

Form 51-102F3
MATERIAL CHANGE REPORT

- Item 1. Name and Address of Reporting Issuer
- NewLeaf Brands Inc. (the “**Company**”)
Suite 810 - 789 West Pender Street
Vancouver, BC V6C 1H2
- Item 2. Date of Material Change
- July 25, 2019
- Item 3. News Release
- A news release was disseminated on July 25, 2019 through Stockwatch and subsequently filed on SEDAR.
- Item 4. Summary of Material Changes
- The Company announced the closing of the first tranche (the “First Tranche”) of its previously announced private placement financing (the “Private Placement”). Under the First Tranche, the Company has issued 1,025,737 common shares (the “Common Shares”) at an issue price of \$0.305 per share, for aggregate gross proceeds of up to CDN\$550,000.
- Item 5. Full Description of Material Change
- See attached news release for full description of Material Change.
- 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
- For further information, please contact:
Joshua Bartch
Chief Executive Officer
604-687-2038
josh@nabrandsinc.com
- Item 9. Date of Report
- July 25, 2019



**NEWLEAF BRANDS ANNOUNCES
FIRST TRANCHE CLOSING OF
NON-BROKERED PRIVATE PLACEMENT
OF COMMON SHARES**

Vancouver, BC, July 25, 2019 - NewLeaf Brands Inc.'s (CSE:NLB) (OTC: NLBIF) (FSE:ONF) ("NewLeaf Brands" or the "Company") announces the closing of the first tranche (the "First Tranche") of its previously announced private placement financing (the "Private Placement"). Under the First Tranche, the Company has issued 1,025,737 common shares (the "Common Shares") at an issue price of \$0.305 per share, for aggregate gross proceeds of up to CDN\$550,000.

The Company is paying a finder's fee which will be issued as 51,287 Common Shares to an arm's length party in connection with the closing of this First Tranche.

The net proceeds from the Private Placement will be used for general working capital purposes.

The second tranche of this Private Placement for additional proceeds of up to CDN\$200,000 is expected to close on or about August 4, 2019.

ABOUT NewLeaf Brands

NewLeaf Brands is an innovative Cannabidiol ("CBD") lifestyle Company. Through the Company's wholly owned subsidiaries We are Kured and Drink Fresh Water, the Company's main business activities encompass the development, marketing and distribution of CBD products (including vaporizer pens and beverages) throughout the United States and internationally. In addition, NewLeaf Brands has extensive retail and cultivation land investments in Oregon.

For further information about NewLeaf Brands, please consult the Company's profile on SEDAR at www.sedar.com or visit the Company's website at www.NABrandsInc.com. For further information about We Are Kured, please visit their website at www.wearekured.com.

On Behalf of the Board of Directors

Joshua Bartch
Chief Executive Officer
info@nabrandsinc.com

For Further Information Contact

Corporate Communications
info@nabrandsinc.com
250-488-6728

We Are Kured Contact:

Benjamin Martch
Founder & CEO
www.wearekured.com

The Canadian Securities Exchange has neither approved nor disapproved the contents of this news release and accepts no responsibility for the adequacy or accuracy hereof.

This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to completion of planned improvements at both the Canadian and US sites on schedule and on budget, the availability of financing needed to complete the Company's planned improvements on commercially reasonable terms, planned occupancy by the tenant-growers, commencement of operations, differences in yield on expected harvests, delays in obtaining statutory approval for marijuana production plans, issues that may arise throughout the grow period, outdoor crops affected by weather, the ability to mitigate the risk of loss through appropriate insurance policies, and the risks presented by federal statutes that may contradict local and state legislation respecting legalized marijuana. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

This news release does not constitute an offer of securities for sale in the United States. These securities have not and will not be registered under United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to a U.S. Person unless so registered, or an exemption from registration is relied upon.