

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

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

True Leaf Medicine International Ltd. ("the **Issuer**")  
32 – 100 Kalamalka Lake Road  
Vernon, BC V1T 9G1

**Item 2: Date of Material Change**

May 12, 2016

**Item 3: News Release**

A news release was issued and disseminated on May 13, 2016 and filed on SEDAR (www.sedar.com). A copy of the news release is attached as Schedule "A" hereto.

**Item 4: Summary of Material Change**

The Issuer announced that it had completed a non-brokered private placement issuing 7,028,404 common shares at a price of \$0.105 per common share for aggregate gross proceeds of \$737,982.42 (the "**Private Placement**"). The Issuer paid an aggregate cash finder's fee of \$11,723.25 to certain arm's length finders. The amount paid to finders is equal to 7% of the gross proceeds raised from applicable subscriptions in the Private Placement.

The Issuer also entered into debt conversion agreements with creditors in order to settle \$234,133.56 in outstanding debt through the issuance of 2,229,843 common shares at a deemed price of \$0.105 (the "**Debt Conversion**"). Pursuant to the Debt Conversion, a director and officer of the Issuer was issued 1,293,728 common shares of the Issuer.

Pursuant to the conversion of a previously disclosed loan agreement with First Pacific Enterprises Inc., the Issuer issued 601,843 units at a conversion price of \$0.105 per unit. Each unit is comprised of one common share of the Issuer and one half of one share purchase warrant, with each whole warrant being exercisable to purchase an additional common share of the Issuer at price of \$0.15 for a period of two years from the date of issuance. The sole shareholder of First Pacific Enterprises Inc. is also a director, shareholder and the Chief Executive Officer of the Issuer.

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

Please see the attached Schedule "A".

**Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable

**Item 7: Omitted Information**

None

**Item 8: Executive Officer**

Darcy Bomford  
Email: darcy@trueleaf.com

**Item 9: Date of Report**

May 16, 2016

## Schedule "A"

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION  
IN THE UNITED STATES.

### TRUE LEAF CLOSES PRIVATE PLACEMENT, CONVERTS DEBT AND CONVERTS LOAN

**Vancouver, BC, May 13, 2016 – True Leaf Medicine International Ltd.** (the "**Company**") (CSE: MJ), is pleased to announce that has closed a non-brokered private placement by issuing 7,028,404 common shares at a price of \$0.105 per common share for aggregate gross proceeds of \$737,982.42 (the "**Private Placement**"). The Company paid an aggregate cash finder's fee of \$11,723.25 to certain arm's length finders. The amount paid to finders is equal to 7% of the gross proceeds raised from applicable subscriptions in the Private Placement.

The Company intends to use the proceeds of the Private Placement as follows:

- for working capital to produce inventory and to evaluate potential acquisitions within the pet industry;
- for advertising and marketing costs including digital marketing expenses, creating promotional material and participating in Canadian, US and European trade shows; and
- for the development of new products including research and development, formulation development and conducting pilot trials.

The Company also entered into debt conversion agreements with creditors in order to settle \$234,133.56 in outstanding debt through the issuance of 2,229,843 common shares at a deemed price of \$0.105 (the "**Debt Conversion**"). Pursuant to the Debt Conversion, a director and officer of the Company was issued 1,293,728 common shares of the Company.

In addition, pursuant to the conversion of a previously disclosed loan agreement with First Pacific Enterprises Inc., the Company issued 601,843 units at a conversion price of \$0.105 per unit. Each unit is comprised of one common share of the Company and one half of one share purchase warrant, with each whole warrant being exercisable to purchase an additional common share of the Company at price of \$0.15 for a period of two years from the date of issuance. The sole shareholder of First Pacific Enterprises Inc. is also a director, shareholder and the Chief Executive Officer of the Company.

All securities issued are subject to a hold period under applicable securities laws, which will expire four months and one day from the date of issuance.

## **About the Company**

The Company, through its wholly-owned subsidiary True Leaf Pet Inc., is entering the \$60 billion pet industry with a line of hemp-focused pet chews and supplements marketed through natural pet health and veterinary channels in Canada and the United States. True Leaf Medicine Inc., a subsidiary of the Company, has also filed an application under Health Canada's Marihuana for Medicinal Purposes Regulations (MMPR) to become a Canadian licensed producer of medicinal marijuana. True Leaf Medicine Inc. has passed through the preliminary and enhanced screening process of Health Canada's review, but must still receive security clearance, pre-licensing approval, and approval to become a licensed producer under the MMPR.

For more information, please see the Company's website at [www.trueleaf.com](http://www.trueleaf.com)

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Canada

**NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATION SERVICES PROVIDER HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS PRESS RELEASE.**

## **FORWARD LOOKING INFORMATION**

This press release contains forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this press release. Actual results could differ materially from those currently anticipated due to a number of factors and risks discussed in the Company's Management's Discussion and Analysis under the Company's profile on [www.sedar.com](http://www.sedar.com). While the Company may elect to, it does not undertake to update this information at any particular time.