

Form 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

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

Item 2: Date of Material Change

December 30, 2016

Item 3: News Release

A news release was issued and disseminated on January 9, 2017 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

On December 30, 2016, the Issuer, through its wholly owned subsidiary True Leaf Pet Inc. (“TLP”), completed the acquisition of all the assets owned by T.L.M. Developments Ltd. (“TLM”) related to the manufacture, distribution and sale of oil of oregano products for animal consumption and animal use under the brand name “OregaPet”, including, among other things, intellectual property, product formulas, inventory and goodwill, for the aggregate purchase price of \$325,000, with \$125,000 of that amount subject to adjustment pending the completion of an inventory audit. The terms of the acquisition were governed by an asset purchase agreement between TLP and TLM, a private British Columbia company at arm’s length to the Issuer, dated December 22, 2016. At the closing, the Issuer issued 476,190 common shares to TLM valued at \$100,000 and TLP issued a non-interest bearing promissory note to TLM in the amount of \$125,000 (subject to adjustment as described above), payable in 36 equal monthly instalments beginning on January 31, 2017.

Item 5: Full Description of Material Change

Please see Schedule “A” attached hereto.

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

Not applicable

Item 7: Omitted Information

None

Item 8: Executive Officer

Kevin Bottomley
Telephone: 778.389.9933
Email: kevin@trueleaf.com

Item 9: Date of Report

January 9, 2017

SCHEDULE "A"

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True Leaf Completes Purchase of Award-Winning Animal-Care Product Company

OregaPet® purchase adds access to natural grocery shelves and revenue to the True Leaf Bottom Line

Vancouver, January 9, 2017 - True Leaf Pet Inc., the Vernon, BC company that produces and sells hemp-based functional chews for dogs, has completed the purchase of the assets and intellectual property of OregaPet®, an award-winning Canadian brand of medicinal products for animals.

Previously, True Leaf and OregaPet® announced the signing of a letter of intent on November 3rd, 2016. The purchase is now complete effective January 1, 2017, with True Leaf acquiring all of OregaPet®'s assets.

“This is a major positive step forward for True Leaf Pet,” said Darcy Bomford, True Leaf CEO. “The OregaPet® brand and natural-remedy focus align perfectly with our company’s “Quality of Life” vision for our customers and their pets. At the same time, the addition of 10 new items to our product line-up will instantly expand our in-store presence and generate revenue in all of our markets.”

True Leaf Pet paid a total of \$200,000 – \$100,000 in cash and \$100,000 in shares – for the brand assets, and then agreed to pay \$146,409.95 for finished goods and packaging inventory over three years with no interest. The seller and its principal shareholder, TLM Development Ltd., also agreed to enter into a 5-year non-competition and non-solicitation agreement covering pet-related businesses.

OregaPet®'s product line has attracted industry recognition for its innovation and effectiveness. OregaPet® Bed and Body Spray received the 2016 National Nutrition.ca award for Best Pet Product and OregaPet® Oil of Oregano received the 2013 Alive® Consumer's Choice Silver Award for Best New Product. Sales of OregaPet® products in Canada are approximately \$12,000 per month, and the company expects significant growth as it rebrands the line for sale in the US and European specialty pet and natural grocery markets.

“OregaPet is unique in that it is the only brand that has leveraged the widely-recognized medicinal powers of ‘oil of oregano’ and incorporated them into a pet product line. Natural remedies and holistic alternatives to pharmaceuticals are top-of-mind with our customer demographic and we see a real winner here,” said True Leaf CEO, Darcy Bomford.

True Leaf has seen steady growth over the past quarter and expects solid performance as it enters the new year and closes off its fiscal year in March 2017. Key to the company's strategy are additional line



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extensions under its successfully established 'True Hemp' brand and new product offerings through acquisitions and entries into new market segments.

About True Leaf: *True Leaf Medicine International Ltd., through its wholly-owned subsidiary 'True Leaf Pet', has entered the \$104.9 billion global pet care industry with a line of hemp-focused pet chews and supplements marketed through natural pet health and veterinary channels in Canada, the United States and Europe. The company has also filed an application under Health Canada's Access to Cannabis for Medical Purposes Regulations (ACMPR) to become a Canadian licensed producer through its 'True Leaf Medicine' subsidiary. It has passed through the preliminary and enhanced screening process of Health Canada's review and is currently awaiting security clearance and 'pre-licensing inspection' approval.*

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