

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

January 19, 2018

Item 3: News Release

A news release was issued and disseminated on January 30, 2018. A copy of the news release is attached as Schedule "A" hereto

An earlier news release was issued and disseminated on January 2, 2018, announcing the exercise of the option to acquire the Property. A copy of the news release is attached as Schedule "B" hereto.

Item 4: Summary of Material Change

The Issuer has purchased a property material to its business in Lumby, British Columbia.

Item 5: Full Description of Material Change

On December 22, 2017, the Issuer's wholly owned subsidiary True Leaf Medicine Inc. ("TLM") exercised its option to purchase a 40-acre parcel of land in Lumby, BC (the "Property") from a private British Columbia company. The seller is at arm's length to the Issuer (the "Optionor").

TLM completed the purchase of the property on January 19, 2017. TLM paid an initial sum of \$100,000 on entering into the option agreement and paid an additional \$3,200,000 plus GST on closing. TLM previously leased a portion of the Property from the Optionor.

TLM expects to use the Property, as well as the existing building thereon, in connection with its proposed medical cannabis operations.

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

N/A

Item 7: Omitted Information

None

Item 8: Executive Officer

Darcy Bomford
Email: darcy@trueleaf.com

Item 9: Date of Report

January 30, 2018

SCHEDULE "A"

True Leaf Completes Purchase of 40-Acre Site for Cannabis Production

Phase one construction plan includes a 25,000 square foot hydroponic medicinal cannabis production facility in Lumby, BC

VERNON, BC – (January 28, 2018) – True Leaf Medicine International Ltd. (“**True Leaf**”) (CSE: MJ) (FSE: TLA) (OTCQB: TRLFF), a quality of life cannabis company for people and their pets, has completed the purchase of 40 acres of land that encompasses the site of its facility in Lumby, British Columbia, Canada, through its wholly owned subsidiary True Leaf Medicine Inc.

The purchase was finalized on January 19, 2018 at a total cost of \$3.3 million CAD.

True Leaf, as previously announced, closed a \$10 million Regulation A+ offering and a concurrent \$4 million non-brokered private placement financing with Canadian investors only. True Leaf is the first Canadian-listed company to conduct a success Regulation A+ offering.

The company used a portion of the proceeds from the offerings to complete the purchase of the Lumby site. Additional offering proceeds will be used to build and staff phase one of the True Leaf facility, as well as provide working capital for the True Leaf Pet business.

True Leaf’s application to produce and distribute cannabis under Health Canada’s Access to Cannabis for Medical Purposes Regulations (ACMPR) has completed the security clearance stage, and the company has permission to build its production facility. At this time, True Leaf does not have a license to produce cannabis.

True Leaf expects phase one: the construction of a 16,000 square foot hydroponic grow building and a 9,000 square foot building housing offices, extraction facility, and laboratory and packaging areas to be completed by the end of summer 2018, with a first crop produced in the fall of 2018. True Leaf’s first crop will be required to pass a Health Canada inspection in order for True Leaf to be granted a license to grow medicinal cannabis.

Commenting on this latest milestone, True Leaf CEO Darcy Bomford said, “The company is pleased with the completion of our offerings and the purchase of the land and we can move forward in our pursuit of growing what we hope will be the best quality medicinal cannabis in the world.”

True Leaf plans to become one of the main employers in Lumby, a logging community of 1,700 in the northeast corner of the Okanagan Valley in southern British Columbia.

About True Leaf

Founded in 2013, True Leaf has two main operating divisions: True Leaf Medicine Inc. and True Leaf Pet Inc. The Company’s goal is to provide federally-approved, safe and effective cannabis products that will be sold across Canada and the United States. True Leaf Medicine Inc. was launched in July 2013 to become a licensed producer of medicinal cannabis for the Canadian market. True Leaf Medicine Inc. has been given approval by Health Canada to build its grow facility and will be subject to a Health Canada security inspection upon completion to allow for the cultivation, manufacture, and distribution of cannabis products. Currently, True Leaf does not have a license to produce cannabis.

Established in 2015, True Leaf Pet Inc. markets safe, hemp-focused products for the pet industry. The Company launched the True Hemp™ pet supplement line in Canada, the United States, and Europe, becoming one of the first hemp-based pet product lines to be marketed worldwide. True Hemp™ North American products are free of CBD and THC, making them the first federally legal products to be marketed in Canada and the United States.

www.trueleaf.com

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SEC Legends

An offering statement regarding the offering described in this news release has been filed with the SEC. The SEC has qualified that offering statement, which only means that we may make sales of the securities described by the offering statement. It does not mean that the SEC has approved, passed upon the merits, or passed upon the accuracy or completeness of the information in the offering statement. The offering has closed, however, you may obtain a copy of the offering circular that is part of that offering statement from: [HERE](#)

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 True Leaf 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 True Leaf's continuous disclosure filings available under the Company's profile on www.sedar.com. While the Company may elect to, it does not undertake to update this information at any particular time.

Risks of Investment in True Leaf

An investment in True Leaf has a high degree of risk including the lack of a listed market for its securities in the United States as well as other risks common to Regulation A+ investments such as a small equity market capitalization and public float, which may impair the liquidity of this investment. Moreover Canadian investors are unable to sell securities placed in the concurrent offering. The Company can make no assurances about the success of its products, or its licensing or marketing efforts; consequently investors in True Leaf may lose some or all of their investments. True Leaf does not have a license to produce cannabis. Cannabis, marijuana, and any products containing THC and CBD are illegal in the United States of America, notwithstanding laws of several states to the contrary. Further, transportation of such products across state lines or across national boundaries remains a Federal Offense in the United States of America, as well as the use of any federally chartered financial institution for transmittal or deposit of funds related to the sale of such products. Accordingly, there can be no assurance that True Leaf will receive a license to produce cannabis from Health Canada, and even if it were to receive such a license, there can be no assurance that it can import its products into the United States for market or sale, or to repatriate the proceeds of such sales for the benefit of investors in this offering.

SCHEDULE "B"

True Leaf Exercises Option to Purchase 40-acre Site in Lumby, B.C. to Build Cannabis Production Facility

Construction to begin with 25,000 sq. foot hydroponic medicinal cannabis production facility

VERNON, BC – (January 2, 2018) – True Leaf Medicine International Ltd. (“True Leaf”) (CSE: MJ) (FSE: TLA) (OTCQB: TRLFF), has exercised its option to purchase 40 acres of land that encompasses its facility in Lumby, B.C. through its wholly owned subsidiary True Leaf Medicine Inc.

The option was exercised on December 22, 2017 at a total cost of \$3.3 million CAD. An up-front fee of \$100,000 CAD was paid to the vendor for the purpose of securing the option. True Leaf now has 30 days from that date to complete the purchase.

On November 30, 2017, True Leaf launched its Regulation A+ offering to raise \$10 MM CAD that was qualified by the Securities Exchange Commission (SEC). This offering enables underwriters to solicit orders from the general public in addition to traditional accredited investors and institutional investors. The company will use a portion of the funds raised from the offering to build phase one of the True Leaf facility. Boustead Securities, LLC is serving as lead underwriter for the offering.

True Leaf’s application to produce and distribute cannabis under Health Canada’s Access to Cannabis for Medical Purposes Regulations (ACMPR) has completed the security clearance stage, and the company has permission to build a production facility.

True Leaf anticipates that the first phase of the build will include annual production of 2,500 kilograms of dried cannabis once the facility passes Health Canada’s inspection and the company becomes a licensed producer.

Now that the option has been exercised, True Leaf’s ownership of the land will allow it to go ahead with plans to demolish an existing building to make way for phase one: the construction of a 16,000-square foot hydroponic grow building and a 9,000-sq. ft. building housing offices, extraction facility, laboratory and packaging areas.

The Company expects site and foundation work to begin in the coming weeks to be completed by summer 2018. The Government of Canada is committed to legalizing marijuana for recreational purposes by July 2018.

Commenting on this latest milestone, CEO Darcy Bomford said, “In addition to purchasing the 40 acres of land to build our facility, the proceeds of the Regulation A+ offering will also be used to acquire the best talent and technology available to help us fulfill our commitment to producing premium products”.

True Leaf benefits from the support expressed for the company’s license submission by the Mayor of Lumby Kevin Acton, and the community. The company expects to become a significant employer in Lumby, a hard-hit logging community of 1,700 in the northeast corner of the Okanagan Valley in southern British Columbia.

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