

Form 51-102F3

Material Change Report

Item 1 **Name and Address of Company**

Christina Lake Cannabis Corp. (the “Issuer”)
Suite 810 – 789 West Pender Street
Vancouver, British Columbia
V6C 1H2

Item 2 **Date of Material Change**

May 15, 2020

Item 3 **News Release**

The news release was filed on SEDAR on May 15, 2020.

Item 4 **Summary of Material Change**

The Issuer announced that it has closed a non-brokered private placement of unsecured convertible debentures, for gross aggregate proceeds of CDN\$35,000.

Item 5 **Full Description of Material Change**

Item 5.1 **Full Description of Material Change**

Please see the attached news release dated May 15, 2020.

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**

Joel Dumaresq, Director, Interim CEO and CFO

Business Telephone: 604 687 2038
Facsimile: 604 687 3141

Item 9 **Date of Report**

May 15, 2020



CHRISTINA LAKE
CANNABIS CORP

NEWS RELEASE

CHRISTINA LAKE CLOSING NON-BROKERED PRIVATE PLACEMENT OF UNSECURED CONVERTIBLE DEBENTURES

May 15, 2020 - Vancouver, British Columbia, Canada: Christina Lake Cannabis Corp. (the “**Company**” or “**CLC**” or “**Christina Lake Cannabis**”) is pleased to announce that it has closed a non-brokered private placement of unsecured convertible debentures (the “**Debentures**”) with an aggregate face value of CDN\$5,000 (the “**Principal Amount**”), for gross aggregate proceeds of CDN\$35,000 (the “**Offering**”).

The terms of the Debentures include:

- The Debentures mature twenty-four (24) months from the date of issuance (the “**Maturity Date**”) and bear interest at the rate of 12.0% per annum;
- Prior to the Maturity Date, the Subscribers have the right at any time during the period beginning on the date the Debentures are issued (the “**Issue Date**”) and ending on the date which is twelve (12) months following the Issue Date (the “**First Year Term**”), to convert the Debentures into conversion shares (“**Conversion Shares**”) at the conversion price of \$0.20 (“**Conversion Price**”), and they shall receive interest payable in Conversion Shares that is an amount equal to the first year interest term (being 365 days x 12% interest on a non pro rata basis) on a non pro rata basis;
- Following the First Year Term, the Debentures and any accrued but unpaid interest will be convertible into Conversion Shares at the Conversion Price at the option of the Debenture holder; and
- Each Conversion Share will consist of one (1) common share.

All securities issued pursuant to the Offering are subject to a statutory four-month and one day hold period from the date of issuance pursuant to applicable securities laws of Canada. Proceeds from the Offering will be used for general working capital to continue the Company’s ongoing obligations.

MI 61-101 Disclosure

One insider of the Company participated in the Offering for an aggregate total of \$15,000 and as such the issuance of the Debenture to such insider is a “related-party transaction” within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“MI 61-101”). However, the issuance is exempt from: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(b), as the shares into which the Debentures are convertible are not listed on a market specified in MI 61-101, and (ii) from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the Debenture does not exceed 25% of the Company’s market capitalization.

About CLC

Christina Lake Cannabis Corp. is a Licenced Producer of cannabis under the *Cannabis Act*. The Company also applied to Health Canada for a Research and Development License on August 13, 2019 which it expects to receive in the spring of 2020. CLC’s facility is comprised of a 32-acre property, which includes over 950,000 square feet of outdoor grow space, offices, propagation and drying rooms, along

with a facility dedicated to processing and extraction. CLC plans to cultivate cannabis using strains specifically developed for outdoor cultivation and it is planning to produce up to 17,700 kg from its 32-acre facility before developing its adjacent 99-acre expansion property, which will bring its cultivation footprint to over 4.35 million sf or over 88,000 kg of low-cost, high-quality, sun-grown cannabis annually.

For more information about CLC, please visit: www.clcannabis.com

Note Regarding Forward-Looking Information and Statements

Forward-Looking Information: This news release includes certain statements that may be deemed "forward-looking statements". The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "would", "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 News Release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents which can be found under the Company's profile on www.sedar.com

On behalf of:

Christina Lake Cannabis Corp.

"Joel Dumaresq"

Joel Dumaresq
CEO, Interim CFO and Director