

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

1. Name and Address of Company:

Christina Lake Cannabis Corp. ("**Christina Lake**")
Suite 1890 - 1075 West Georgia Street
Vancouver, British Columbia
V6E 3C9

2. Date of Material Change:

February 9, 2024

3. News Release:

Christina Lake issued news releases on February 5, 2024 and February 12, 2024, which were issued and disseminated through the facilities of Globe NewsWire and filed on SEDAR.

4. Summary of Material Change:

On February 9, 2024, Christina Lake completed the acquisition of certain assets from a private British Columbia corporation (the "**Vendor**"), for a total purchase price of \$3,000,000 (the "**Transaction**"). The Transaction was completed pursuant to the terms of an agreement of purchase and sale dated February 2, 2024, between Christina Lake and the Vendor (the "**Asset Purchase Agreement**").

5. Full Description of Material Change:

5.1 Full Description of Material Change

On February 9, 2024, Christina Lake and the Vendor closed the Transaction for a total purchase price of \$3,000,000 which was paid by the issuance of a secured convertible promissory note having a 5-year term (the "**Note**"). The Note is secured by the land and buildings acquired in the Transaction. The Note bears interest at a rate of 10% per annum for year 1, 15% per annum for year 2, and 20% per annum for the remaining 3 years. The repayment of the Note shall be interest only payments paid annually on February 9, 2025 and February 9, 2026, then quarterly interest payments thereafter and \$1,000,000 principal repayments on or before each of February 9, 2027, 2028 and 2029 until the remaining principal amount of the Note is satisfied in full. Outstanding principal and unpaid interest from the Note may be convertible into common shares of Christina Lake ("**Common Shares**") at a conversion price of \$0.05 per Common Share during the term. The Vendor has the right to convert the Note at any time, subject to a notice period. Additionally, Christina Lake has the right to repay the Note at any time during the term together with prepayment of any remaining interest payable under the Note.

The Transaction included acquiring ownership of outdoor cultivation facilities in Midway, British Columbia, related harvesting and manufacturing equipment, and approximately 19,000 kg. of biomass (the "**Midway Property**"). The Midway Property represents a total of 342 acres, with slightly over 100 acres of licensed cultivation space. After the acquisition of the Midway Property, Christina Lake's total licensed outdoor cultivation footprint surpassed 120 acres.

The parties also entered into an investor rights agreement pursuant to which, the Vendor was granted the right to nominate a member to Christina Lake's board of directors. The Vendor will maintain such

rights for so long as the conversion of the Note (together with any Common Shares then held by the Vendor) would result in the Vendor holding 10% or more of the Common Shares.

5.2 *Disclosure of Restructuring Transaction*

Not applicable.

6. *Reliance on Subsection 7.1(2) of National Instrument 51-102:*

Not applicable.

7. *Omitted Information:*

Not applicable.

8. *Executive Officer:*

The name and business telephone number of the executive officer of Christina Lake who is knowledgeable about the material change and this report is:

Ryan Smith
Chief Financial Officer
902-229-7265

9. *Date of Report:*

February 20, 2024.