

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Christina Lake Cannabis Corp. (the “Company”)
Suite 1890 – 1075 West Georgia Street
Vancouver, BC V6E 3C9

Item 2 Date of Material Change

April 3, 2024

Item 3 News Release

The news release was disseminated by GlobeNewswire on April 3, 2024 and it was filed on SEDAR+ and posted to the Company’s disclosure hall with the CSE on April 3, 2024.

Item 4 Summary of Material Change

The Company announces that they will not be filing its annual financial statements, accompanying management’s discussion and analysis and Chief Executive Officer and Chief Financial Officer annual certifications for the financial year ended November 30, 2023, within the period prescribed for filing of such documents.

Item 5 Full Description of Material Change

Item 5.1 Full Description of Material Change

The Company will not be filing its annual financial statements, accompanying management’s discussion and analysis and Chief Executive Officer and Chief Financial Officer annual certifications for the financial year ended November 30, 2023, within the period prescribed for filing of such documents under Parts 4, 5 and 6 of National Instrument 51-102 *Continuous Disclosure Obligations* and pursuant to National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, namely within 120 days of year-end, being March 31, 2024.

The delay is due to the fact that the audit is taking longer than expected, due to the high level of testing, with limited staff resources. As the Company's material item on its balance sheet is inventory and biological assets, and due to the increased production levels of the past year and additional product lines introduced, the costing and inventory allocation is taking longer than originally anticipated. Also, the financings completed by the Company in the fourth quarter of the fiscal year and the property acquisition completed earlier in 2024, have also increased the work level required for the audit, which requires additional time to ensure accuracy for the financial statements.

The Company is working closely with its auditor DMCL LLP, and is making every effort to submit the Annual Filings in a timely fashion and expects to file no later than May 31, 2024. The Company supports the provision of extra time to allow DMCL LLP to satisfactorily complete the 2023 audit and ensure that their financial statements are accurate in all respects.

The Company has made an application to the British Columbia Securities Commission, as principal regulator of the Company, a management cease trade order (“MCTO”) under NP 12-203 in respect of the default regarding the Annual Filings. The MCTO will prohibit the CEO and the CFO from trading in securities of the Company for so long as the Annual Filings are not filed. The issuance of the MCTO, if issued, does not affect the ability of

persons other than the CEO and the CFO of the Company to trade in the Company's securities.

The Company intends to satisfy the provisions of the alternative information guidelines found at sections 9 and 10 of NP 12-203 respecting Cease Trade Orders for Continuous Disclosure Defaults for so long as it remains in default as a result of the late filing of the Annual Filings. The Company will issue biweekly default status reports in the form of further news release, which will also be filed on SEDAR+. There are no insolvency proceedings against the Company as of the date of this news release. The Company also confirms that there is no other material information concerning the affairs of the Company that has not been generally disclosed as of the date of this news release.

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

Mark Aiken, Director
Telephone: 604-687-2038

Item 9 Date of Report

April 9, 2024

Christina Lake Cannabis Announces Delay in Filing its 2023 Annual Financial Statements

April 3, 2024 – Vancouver, BC – **Christina Lake Cannabis Corp.** ("CLC" or the "Company") (CSE: CLC) announced today that it will not be filing its annual financial statements, accompanying management's discussion and analysis and related chief executive officer ("CEO") and chief financial officer ("CFO") certifications for the financial year ended November 30, 2023 (collectively, the "Annual Filings"), within the period prescribed for the filing of such documents under Parts 4, 5 and 6 of National Instrument 51-102 *Continuous Disclosure Obligations* and pursuant to National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, namely within 120 days of year-end, being March 31, 2024 (the "Filing Deadline").

The delay at CLC is due to the fact that the audit is taking longer than expected, due to the high level of testing, with limited staff resources. As the Company's material item on its balance sheet is inventory and biological assets, and due to the increased production levels of the past year and additional product lines introduced, the costing and inventory allocation is taking longer than originally anticipated. Further the financings completed by the Company in the fourth quarter of the fiscal year and the property acquisition completed earlier in 2024, have also increased the work level required for the audit, which requires additional time to ensure accuracy for the financial statements.

CLC is working closely with its auditor DMCL LLP, and is making every effort to submit the Annual Filings in a timely fashion and expects to file no later than May 31, 2024.

CLC CEO Mark Aiken made the following statement. "We support the provision of extra time to allow auditors to satisfactorily complete the 2023 audit, and ensure that their financial statements are accurate in all respects."

The Company is providing this default announcement in accordance with National Policy 12-203 Management Cease Trade Orders ("**NP 12-203**"). The Company has made an application to the British Columbia Securities Commission, as principal regulator of the Company, a management cease trade order ("**MCTO**") under NP 12-203 in respect of the default regarding the Annual Filings. The MCTO will prohibit the CEO and the CFO from trading in securities of CLC for so long as the Annual Filings are not filed. The issuance of the MCTO, if issued, does not affect the ability of persons other than the CEO and the CFO of the Company to trade in the Company's securities. The application for the MCTO remains subject to the risk factors described in "*Forward Looking Information and Risk Factors*" below, including the risk that the MCTO application may not be successful or may not be completed prior to a securities commission issuing a failure-to-file cease trade order against the Company following the Filing Deadline.

The Company confirms that it intends to satisfy the provisions of the alternative information guidelines found at sections 9 and 10 of NP 12-203 respecting Cease Trade Orders for Continuous Disclosure Defaults for so long as it remains in default as a result of the late filing of the Annual Filings. During the period of default, the Company will issue biweekly default status reports in the form of further news releases, which will also be filed on SEDAR. The Company confirms that there are no insolvency proceedings against it as of the date of this news release. The Company also confirms that there is no other material information concerning the affairs of the Company that has not been generally disclosed as of the date of this news release.

ABOUT CLC

Christina Lake Cannabis is a licensed producer of cannabis under the Cannabis Act. It has secured a standard cultivation license and corresponding processing amendment from Health Canada (March 2020

and August 2020, respectively) as well as a research and development license (early 2020). Christina Lake Cannabis' facility consists of a 32-acre property, which includes over 950,000 square feet of outdoor grow space, offices, propagation and drying rooms, research facilities, and a facility dedicated to processing and extraction. Christina Lake Cannabis also owns a 99-acre plot of land adjoining its principal site. CLC focuses its production on creating high quality extracts and distillate for its B2B client base with proprietary strains specifically developed for outdoor cultivation to enhance extraction quality.

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

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Forward Looking Information and Risk Factors

This news release contains statements and information that may constitute "forward-looking information" within the meaning of applicable securities legislation, including statements identified by the use of words such as "will", "expects", "positions", "believe", "potential" and similar words, including negatives thereof, or other similar expressions concerning matters that are not historical facts.

Such forward-looking information is not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information contained herein may include, but is not limited to, information concerning the estimated filing date of the Annual Filings, and whether the British Columbia Securities Commission will grant the Company's application for an MCTO.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements. Some of these risks include, but are not limited to, the risk that the Annual Filings are filed later than anticipated, the risk that the Company's application for an MCTO is not successful for any reason, in which case there is a risk that trading in the Company's securities may be halted by the TSX Venture Exchange and/or cease traded temporarily by the Canadian securities commissions after the Filing Deadline until such time as the Annual Filings are filed on SEDAR.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

In connection with the forward-looking information contained in this news release, the Company has made certain assumptions. Although the Company believes that the assumptions and factors used in

preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information contained in this news release are made as of the date of this news release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.