

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

MIDNIGHT STAR VENTURES CORP.

555 Burrard Street
Suite 1085, Two Bentall Centre, PO Box 201
Vancouver, British Columbia
V7X 1M8

Item 2. Date of Material Change

September 27, 2018

Item 3. News Release

The news release was issued on October 2, 2018, and was disseminated by Stockwatch.

Item 4. Summary of Material Change

On September 27, 2018, Midnight Star Ventures Corp. (the "**Midnight Star**") closed the Share Purchase Agreement (the "Acquisition Agreement") with Bio Harvest Ltd. ("Bio Harvest") to acquire from Bio Harvest, 1,000,000 ordinary shares being 100% of the outstanding shares of Dolarin Ltd. a company that holds a license to use a proprietary biofarming technology for cannabis. The Company also completed a concurrent private placement of 21,119,665 units for \$3,017,949.75 and adopted a new stock option plan (the "2018 Stock Option Plan") and granted options under the 2018 Stock Option Plan to purchase 9,655,105 common shares at \$0.20 per share.

Item 5. Full Description of Material Change

Midnight Star Ventures Corp. ("Midnight Star") (CSE: STV) Midnight Star announced that further to its amended news release of April 23, 2018, it has closed the Share Purchase Agreement (the "Acquisition Agreement") with Bio Harvest Ltd. ("Bio Harvest") to acquire from Bio Harvest, 1,000,000 ordinary shares being 100% of the outstanding shares of Dolarin Ltd. (hereinafter the "Subsidiary") an Israeli company incorporated for the purposes of completing the transactions described in this news release. Concurrent with the signing of the Acquisition Agreement, Bio Harvest and the Subsidiary entered into a licensing agreement (the "Licensing Agreement") and a services agreement (the "Services Agreement"). Closing of the acquisition was subject to a number of conditions including, Midnight Star having not less than \$2,000,000 US in cash to fund Midnight Star's and the Subsidiary's respective obligations under the Acquisition Agreement, the Licensing Agreement and the Services Agreement. Midnight Star met this condition by completing a private placement for 21,119,665 units at \$0.15 per unit with each unit being comprised of one common share in the capital of the Company and one share purchase warrant of the Company with each warrant exercisable to purchase one additional share at a fixed price of \$0.23 per share for a period of two years from issuance, for gross proceeds of \$3,017,949.75 described in the attached news release. The consideration under the Acquisition Agreement was the issuance to Bio Harvest of 48,337,496 common shares, representing 50.55% of the shares now outstanding at a deemed price of \$0.20 per share, (totaling \$9,667,499.20). Bio Harvest also has a pre-emptive right to participate (on a pro-rata basis, with an over-allotment right) in future share issuances. As a result, Bio Harvest now controls Midnight Star. The transaction constituted a fundamental transaction under the policies of the Canadian Securities Exchange ("CSE"). Shareholders of Midnight Star holding in excess of 56% of the common shares outstanding prior to closing, consented in writing to the transaction.

Item 6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

David Ryan
President
604-622-1186

Item 9. Date of Report

October 2, 2018

MIDNIGHT STAR VENTURES CORP.

Suite 1085, 555 Burrard Street, Box 201
Vancouver, BC V7X 1M8

October 2, 2018

CSE Symbol: STV

NEWS RELEASE MIDNIGHT STAR VENTURES CORP.

Midnight Star Acquires License on Advanced Bio Farming Technology for Cannabis by Issuing 48,337,496 Common Shares at a Deemed Price of \$0.20 Per Share For a Total Value of \$9,667,499.20 and completes a private placement of 20,119,665 units to raise gross proceeds of \$3,017,949.75.

Vancouver, BC / Midnight Star Ventures Corp. ("Midnight Star") (CSE: STV) Midnight Star announced that further to its amended news release of April 23, 2018, it has closed the Share Purchase Agreement (the "Acquisition Agreement") with Bio Harvest Ltd. ("Bio Harvest") to acquire from Bio Harvest, 1,000,000 ordinary shares being 100% of the outstanding shares of Dolarin Ltd. (hereinafter the "Subsidiary") an Israeli company incorporated for the purposes of completing the transactions described in this news release. Concurrent with the signing of the Acquisition Agreement, Bio Harvest and the Subsidiary entered into a licensing agreement (the "Licensing Agreement") and a services agreement (the "Services Agreement"). Closing of the acquisition was subject to a number of conditions including, Midnight Star having not less than \$2,000,000 US in cash to fund Midnight Star's and the Subsidiary's respective obligations under the Acquisition Agreement, the Licensing Agreement and the Services Agreement. Midnight Star met this condition by completing a private placement for gross proceeds of \$3,017,949.75 described in detail below. The consideration under the Acquisition Agreement was the issuance to Bio Harvest of 48,337,496 common shares, representing 50.55% of the shares now outstanding at a deemed price of \$0.20 per share, (totaling \$9,667,499.20). Bio Harvest also has a pre-emptive right to participate (on a pro-rata basis, with an overallotment right) in future share issuances. As a result, Bio Harvest now controls Midnight Star. The transaction constituted a fundamental transaction under the policies of the Canadian Securities Exchange ("CSE"). Shareholders of Midnight Star holding in excess of 56% of the common shares outstanding prior to closing, consented in writing to the transaction.

Midnight Star paid to Capitalink Ltd. (a Tel Aviv, Israel based company, the principal shareholder of which is Lavi Krasney) a finder's fee of \$85,000 US plus 1,450,124 shares in connection with the acquisition.

Bio Harvest Technology

Bio Harvest is an Israeli Company that has developed a bio-farming technology (the "Bio Harvest Technology"). The Bio Harvest Technology is a proprietary cell growth technology for growing plant cells at an industrial scale and harvesting the healthy ingredients from nature while maintaining their original structure consistency. The platform bio-farming technology supports commercial growing of plant cells in liquid media in specific tailor made bioreactors. The technology mirrors nature without any solvent extraction, genetic modification or synthetic molecular processing. The products of the bio-farming process contain a high concentration of plant phytochemicals (the health beneficial compounds) in their natural state ensuring optimal bioavailability and efficacy. The process can isolate specific compounds that are produced in a high level by the cells. The technology is protected by six patents in the USA, Japan, Europe and Israel. Six additional patents are in process. Bio Harvest has expended approximately \$15,000,000 US to develop the Bio Harvest Technology and is currently using the technology for commercial production of resveratrol (www.vinia.com) and other healthy compounds found in grapes. Cannabis is ideally suited for the Bio Harvest Technology as it contains a large number of different active chemical compounds known as cannabinoids that are produced only in the cannabis plant including THC and CBD. Once adapted to Cannabis products it would potentially allow establishment of a facility with less than 50% of the cost of conventional whole plant growing methods.

Licensing Agreement

Under the terms of the Licensing Agreement, Bio Harvest granted the Subsidiary an exclusive worldwide license to utilize, including the right to sublicense, the Bio Harvest Technology for Cannabis products. The Licensing Agreement closed concurrently with the closing of the acquisition of the Subsidiary. The consideration for the License was as follows:

1. The issuance by the Subsidiary of 900,000 ordinary shares of the Subsidiary to Bio Harvest, which shares formed part of the 1,000,000 shares of the Subsidiary acquired by Midnight Star under the Share Purchase Agreement;
2. The payment by the Subsidiary of \$160,000 US in 16 equal monthly installments of \$10,000 commencing on the closing of the Licensing Agreement, which fee will be credited against future royalties if payable;
3. A payment of a milestone payment of \$840,000 US on the beginning of construction by the Subsidiary or by its Affiliates or any sublicensees of the first manufacturing facility, in six equal installments of \$140,000 US, which fee will be credited against future royalties if payable;
4. The payment of royalties of 12% of net sales of licensed products by Midnight Star, its affiliates or any sublicensees, and 12% of any sublicensing proceeds that may be received by Midnight Star, its affiliates or any sublicensees.

Services Agreement

Under the terms of the Services Agreement Bio Harvest will perform certain limited research, development and commercialization of the Bio Harvest Technology for the field of cannabis including providing the equipment, materials, facilities and personnel. The Services Agreement closed concurrently with the acquisition of the Subsidiary. The initial period of the services shall be 16 months from closing of the Acquisition under a budget calling for total expenditures by Midnight Star of \$1,538,476 US. Further expenditures may be required if the objectives of the program are not met within the 16 month period. The objective of the program is to establish cannabis plant derived cell clones producing the relevant secondary metabolites (THC, CBC and terpenes), establishment of a stably small-scale growing plant cell suspension culture producing the secondary metabolites in adequate and stable amounts, and optimally establishing plant cells grown in suspension with THC or CBD or terpenes with the desired levels.

Private Placement

In connection with the Acquisition Midnight Star completed a private placement of 20,119,665 Units at \$0.15 per unit for proceeds of \$3,017,949.75 Cdn. Each unit consists of one common share and one non-transferable share purchase warrant ("Warrant"), with each Warrant exercisable to purchase an additional common share at a price of \$0.23 per share for a period of two years from closing. Midnight Star paid finders fees to brokers, investment dealers and to finders totaling \$116,472.50 cash and issued 783,983 warrants exercisable at the same price and on the same terms as the Warrant included in the units.

The proceeds of the private placement will be used to fund Midnight Star's and the Subsidiary's respective obligations under the Acquisition Agreement, Licensing Agreement and Services Agreement and for general corporate purposes.

Appointment of Directors

At closing, Zaki Rakib, Vivien Rakib, and Liron Carmel were appointed to the Board. Mr. Rakib was also appointed as Chief Executive Officer and Yochi Hagay was appointed as Chief Technology Officer. Directors Shane Epp and Bernie Hoing resigned to make room for the appointments. David Ryan will continue as a director of Midnight Star.

Dr. Zaki Rakib, Ph.D., serves as the Co-Founder and Executive Chairman of Bio Harvest Ltd. He has extensive experience within the software, telecommunications hardware, semiconductors, cellular operations and bioscience categories, where he has spearheaded the development of multiple cutting-edge innovations. Leveraging his foundation in technical sciences, Dr. Rakib was one of the first leaders in the telecommunications industry after Midnight Star he co-founded Terayon Communication Systems, invented the first cable modem, and S-CDMA technology. Dr. Rakib holds Bachelor of Science, Master of Science, and Ph.D. degrees in Engineering from Ben-Gurion University in Israel.

Vivien Rakib holds a B.Sc in Math and computer science. She had extensive experience in S/W development for fortune 100 companies primarily in Silicon Valley California including Sun Microsystems and Phillips semiconductors. Viven is an investor in high-tech and in biotech. Most noteworthy are Shaker (where she also served as a board member) that was acquired by Play-Studios and Bio Harvest where she is currently the largest shareholder and a board member. Vivien also serves on the board of 2 NGO's.

Liron Carmel is a businessman based in Israel with experience in management of technology companies. He is currently the Chairman of Smart Energy Solutions Inc. and is a former Chairman of Emerald Medical Applications Corp.

Dr. Yochi Hagay, is Co-Founder, CTO of Bio Harvest Ltd and served as Chief Executive Officer at Bio Harvest. She has an extensive experience in leading research and development in the pharmaceutical and bio-tech industry. Prior to co-founding Bio Harvest in 2005, Ms. Hagay served as the Managing Partner at Zaki Rakib's Bio-Tech Capital Venture. During that time, she evaluated a large number of scientific research projects and bio-tech companies. Ms. Hagay has served in various positions in BTG for 15 years, until it was acquired by Savient. In her most recent role at Savient (2002-2005), she supervised the company's clinical studies. Ms. Hagay holds a PhD in bio-technology from the Hebrew University.

Director and Employee Options

Concurrent with the closing Midnight Star adopted a new option plan (the "2018 Option Plan) and granted director and employee options to purchase 9,655,105 shares including options to purchase 4,344,800 common shares to Dr. Zaki Rakib, the Company's new Chief Executive Officer and options to purchase 4,344,797 common shares to Dr. Yochi Hagay the Company's new Chief Technology Officer. The options will be exercisable for a period of two years from closing (subject to early termination upon customary events that will be set forth in the plan) at a price of \$0.20 per share and shall vest during 2 years after closing on a quarterly basis.

Midnight Star also terminated its 2014 Stock Option Plan, no options had been issued under the 2014 Stock Option Plan.

Midnight Star Ventures Corp.

Dr. Zaki Rakib
CEO

For further information, please contact:

David Ryan
Phone: (604) 622-1186
Email: Midnight.star.ventures@gmail.com

Forward-Looking Statements Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future

performance. Midnight Star cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Midnight Star's control. Such factors include, among other things, risks and uncertainties relating to the fact that any or all of the private placement will be completed and risks associated with technology development. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, Midnight Star undertakes no obligation to publicly update or revise forward-looking information.

Neither Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.