

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

Item 1. Name and Address of Issuer

Cloud Nine Education Group Ltd. (the "**Company**")
900 – 549 Howe Street
Vancouver, BC V6C 2C2

Item 2. Date of Material Change

May 5, 2017

Item 3. News Release

Issued on May 8, 2017, and disseminated through the facilities of Marketwired.

Item 4. Summary of Material Change

The Company announced the closing of the second tranche of its previously announced non-brokered private placement.

Item 5.1 Full Description of Material Change

See news release attached as Schedule "A" hereto.

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

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

Contact: Michael Hunter, President and CEO
Telephone: (604) 377-5572

Item 9. Date of Report

May 10, 2016.

Schedule "A"

News release dated May 8, 2017



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Cloud Nine Closes Second Tranche of Private Placement

Vancouver, B.C. – (May 8, 2017) Cloud Nine Education Group Ltd. (the “**Company**” or “**Cloud Nine**”) is pleased to announce that it has closed the second tranche of its previously announced non-brokered private placement. The Company issued 1,257,200 units at \$0.14 per unit for gross proceeds of \$176,008.

The Company intends to use the proceeds from the private placement to meet customer demand for a young learner version of its ESL curriculum and for general working capital.

Company CEO, Michael Hunter, expanded on the reasons for the financing stating, "This financing will help Cloud Nine to protect our shareholders' investment by positioning the Company to meet our corporate objective of becoming cash flow positive in 2017.

Closing of subsequent tranches of the private placement are subject to all necessary regulatory and stock exchange approvals. All securities issued in connection with the private placement will be subject to a four-month hold period from the date of issue under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

About Cloud Nine

Cloud Nine is a Canadian company specializing in the development and sale of its proprietary, cutting-edge Cloud Nine ESL Program. The curriculum is technologically advanced and meets the needs of today’s increasingly mobile student. Tablets replace textbooks and the course content includes instructional videos and internet links which learners use to supplement in-class studies.

The licensing fee model employed by the Company provides a competitive alternative to the costs that students have traditionally been forced to endure for printed materials, which are often outdated by time students purchase them. The Company also owns and operates Cloud Nine College, an accredited ESL school located in Vancouver.

For more information regarding Cloud Nine, please contact:

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President and Chief Executive Officer
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Forward-Looking Information

This press release contains statements including “forward-looking information” (“Forward-looking statements”). Forward-looking statements in this news release including statements regarding the possible completion of a private placement and the intended use of proceeds from the private placement. In making the forward-looking statements in this release, the Company has applied certain factors and assumptions that the Company believes are reasonable, including that the Company is able to obtain any required government or other regulatory approvals to complete the Company’s planned private placement and operations and that the Company is able to complete the private placement. However, the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such uncertainties and risks may include, among others, that the private placement will not complete, actual results of the Company’s operations being different than those expected by management and delays in obtaining or failure to obtain required government or other regulatory approvals or financing. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

This news release does not constitute an offer to sell or solicitation of an offer to sell any securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.