

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

The Green Organic Dutchman Holdings Ltd. (the “Company” or “TGOD”)
6205 Airport Rd, Building A - Suite 301
Mississauga, Ontario
L4V 1E3

Item 2 Date of Material Change

October 25, 2018

Item 3 News Release

A news release was issued by the Company on October 25, 2018 and distributed through Canada Newswire and filed on SEDAR.

Item 4 Summary of Material Change

On October 25, 2018, the Company announced that it has entered into a definitive arrangement agreement (the “**Arrangement Agreement**”) and a related transaction expense agreement (the “**Transaction Expense Agreement**”), each dated October 25, 2018, with its wholly-owned subsidiary, TGOD Acquisition Corporation (“**SpinCo**”), pursuant to which the Company will, subject to the terms and conditions of the Arrangement Agreement and the Transaction Expense Agreement, effect a spin-off transaction (the “**Spin-Off**”) whereby the Company will distribute to its shareholders (the “**Distribution**”) unit purchase warrants of SpinCo (the “**SpinCo Unit Warrants**”) by way of a court-approved plan of arrangement (the “**Arrangement**”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On October 25, 2018, the Company and SpinCo announced that they have entered into the Arrangement Agreement and the related Transaction Expense Agreement pursuant to which the Company will, subject to the terms and conditions of the Arrangement Agreement and the Transaction Expense Agreement, effect the Spin-Off whereby the Company will distribute to its shareholders SpinCo Unit Warrants by way of the Arrangement.

Pursuant to the Arrangement, holders (“**TGOD Shareholders**”) of common shares of the Company (“**TGOD Shares**”) of record as of the distribution date (the “**Distribution Record Date**”) will receive 0.15 of one SpinCo Unit Warrant for each TGOD Share held. Each SpinCo Unit Warrant will entitle the holder to purchase one unit of SpinCo (a “**SpinCo Unit**”) at a price of \$0.50 per SpinCo Unit for a period of 30 days from completion of the Distribution. Each SpinCo Unit will consist of one common share of SpinCo (“**SpinCo Share**”) and one-half of one common share purchase warrant of SpinCo (a “**SpinCo Warrant**”). Each SpinCo Warrant is exercisable into one SpinCo Share (a “**SpinCo Warrant Share**”) at an exercise price of \$1.25 per SpinCo Warrant Share for a period of 24 months from the date the SpinCo Shares commence trading on a recognized stock exchange (the “**Listing Date**”), subject to certain adjustment provisions including, without limitation, in the event SpinCo announces a subsequent

financing at a price per security equal to or greater than \$1.25. The SpinCo Shares comprising part of the SpinCo Units will be subject to a six month contractual escrow period from the Listing Date. The SpinCo Shares issuable upon the exercise of the SpinCo Warrants will be subject to a twelve month contractual escrow period from the Listing Date.

The aggregate SpinCo Unit Warrants to be distributed to TGOD shareholders will be issued by SpinCo to TGOD pursuant to the Transaction Expense Agreement which was entered into by the Company and SpinCo concurrently with the Arrangement Agreement, pursuant to which TGOD will pay SpinCo's costs related to the preparation and completion of the Spin-Off up to a maximum of \$200,000.

The structure of the Spin-Off has been approved by the board of directors of the Company (the "**TGOD Board**") following consultation with its financial and legal advisors and a review of other strategic options available to transfer TGOD's expertise and monetize TGOD's proprietary knowledge of the global cannabis marketplace. Structuring the Spin-Off in a tax efficient manner for TGOD Shareholders has been a significant factor in the TGOD Board's considerations. The TGOD Board has determined that the Spin-Off is in the best interest of TGOD and its shareholders and, having taken into account advice from its financial and legal advisors, has unanimously approved the Arrangement giving effect to the Spin-Off and recommends that TGOD shareholders vote in favour of the Arrangement.

The Arrangement remains subject to the approval of at least two-thirds of the votes cast by TGOD shareholders at the TGOD Meeting (as defined below). Completion of the Arrangement is also subject to other closing conditions customary for a transaction of this nature, including requisite corporate, regulatory and court approvals. The establishment of the Distribution Record Date remains subject to the satisfaction of all conditions to the Arrangement (including receipt of requisite corporate, regulatory, shareholder and court approvals) and the approval of the TSX. The TGOD Board will determine the Distribution Record Date and the effective date of the Arrangement (the "**Effective Date**") following satisfaction of all of the conditions to the completion of the Arrangement. Notice of the actual Distribution Record Date and Effective Date will be given to the TGOD Shareholders through one or more press releases.

TGOD Meeting

The resolutions to approve the Arrangement and the SpinCo Offering (as defined below) will be presented to TGOD Shareholders together with annual meeting matters at an annual general and special meeting of TGOD Shareholders to be held on December 6, 2018 (the "**TGOD Meeting**"). Further details of the Arrangement, the SpinCo Offering and annual meeting matters will be included in a management information circular of TGOD (the "**Circular**") to be prepared in respect of the TGOD Meeting. TGOD intends to mail the Circular in early November, a copy of which will be concurrently filed under TGOD's profile on SEDAR at www.sedar.com.

SpinCo Offering

In connection with the Spin-Off, SpinCo intends to complete a non-brokered private placement offering (the "**SpinCo Offering**") of up to 20,000,000 subscription receipts (the "**Subscription Receipts**") at a price of \$0.50 per Subscription Receipt for gross proceeds of up to \$10,000,000. Each Subscription Receipt will automatically entitle the holder to receive, without payment of additional consideration, one SpinCo Unit subject to receipt of TGOD Shareholders and TSX approvals of the SpinCo Private Placement (the "**Escrow Release Conditions**"). The SpinCo Units underlying the Subscription Receipts have the same terms (including contractual escrow periods) as the SpinCo Units underlying the SpinCo Unit Warrants to be distributed to Shareholders under the Distribution, which are comprised of one SpinCo Share and one-half of one SpinCo Warrant. Each SpinCo Warrant is exercisable into one SpinCo

Warrant Share at an exercise price of \$1.25 per SpinCo Warrant Share for a period of 24 months from the Listing Date, subject to certain adjustment provisions (including as set out above). The SpinCo Shares comprising part of the SpinCo Units will be subject to a six month contractual escrow period from the Listing Date. The SpinCo Shares issuable upon the exercise of the SpinCo Warrants will be subject to a twelve month contractual escrow period from the Listing Date.

SpinCo has not engaged any agents in connection with the SpinCo Private Placement and no finders' fees or commissions will be paid in connection with the SpinCo Private Placement.

Directors, officers and employees of TGOD as well as service providers, consultants and other related persons will be entitled to subscribe for a portion of the SpinCo Private Placement. The SpinCo Private Placement is expected to close as soon as practicable following the completion of the Arrangement.

There can be no assurance as to whether or when the SpinCo Offering will be completed or whether the Escrow Release Conditions will ever be met and the SpinCo Units underlying the Subscription Receipts released to the subscribers. If the Escrow Release Conditions are not satisfied in accordance with the terms of the Offering on or before December 31, 2018 (or such other date as the Company may determine), holders of the Subscription Receipts will be entitled to the return of their subscription amount without interest.

U.S. Securities and Tax Matters

The SpinCo Unit Warrants to be distributed pursuant to the Distribution will not be registered under the laws of any foreign jurisdiction, including the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"). Consequently, no SpinCo Unit Warrants will be delivered to any registered or beneficial holder of TGOD shares who is, or who appears to TGOD or Computershare Trust Company of Canada, as custodian (the "**Custodian**") to be, an individual or entity that qualifies as a U.S. Person under applicable U.S. securities laws (collectively, "**U.S. Shareholders**"). Such SpinCo Unit Warrants will be delivered by TGOD to the Custodian for sale by the Custodian on behalf of all U.S. Shareholders and U.S. Shareholders will receive from the Custodian their pro rata share of the cash proceeds from the sale of such SpinCo Unit Warrants, less any commissions, expenses and any applicable withholding taxes.

The SpinCo Unit Warrants, the SpinCo Units underlying the SpinCo Unit Warrants, and the Subscription Receipts are not expected to be qualified investments under the *Income Tax Act* (Canada) for RRSPs, TFSAs or other registered plans as at the time of issuance and could therefore subject the plan or its annuitant or holder to adverse tax results. While additional details will be included in the Circular, affected TGOD shareholders, and potential subscribers of Subscription Receipts, are strongly encouraged to consult their tax advisors to determine the implications specific to their situation.

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

Brian Athaide
Chief Executive Officer
Telephone: 905-304-4201

Item 9 Date of Report

November 5, 2018

Forward-Looking Information Cautionary Statement

This Material Change Report includes statements containing certain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"). Forward looking statements in this Material Change Report includes, but is not limited to, statements regarding the timing, closing and approval of the Arrangement, the Distribution and the SpinCo Offering, the anticipated timing for the Meeting, the anticipated consideration to be received by TGOD Shareholders and the satisfaction of closing conditions. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this Material Change Report. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Company is under no obligation, 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 expressly required by applicable law.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of Toronto Stock Exchange) accept responsibility for the adequacy or accuracy of this Material Change Report.