

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

**Item 1. Name and Address of Company**

BZAM Ltd. (the “Company”)  
1570-200 Burrard St.  
Vancouver, BC V6C 3L6

**Item 2. Date of Material Change**

June 9, 2023

**Item 3. News Release**

On June 9, 2023, a news release in respect of the material change was disseminated by the Company through Canada Newswire. A copy of the news release is appended as Schedule “A” and was filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4. Summary of Material Changes**

*(a) description of the transaction and its material terms*

On June 9, 2023, the Company completed a non-brokered private placement of 22,222,223 units of the Company (“Units”) at a price of C\$0.225 per Unit for aggregate gross proceeds of C\$5,000,000.18 (the “Offering”) pursuant to a subscription agreement (the “Subscription Agreement”) between the Company and Stone Pine Capital Ltd., the subscriber to the Offering (the “Subscriber”). Each Unit is comprised of one common share of the Company (each, a “Common Share”) and one Common Share purchase warrant (each, a “Warrant”). Each Warrant is exercisable into one Common Share at a price of C\$0.40 for a period of three years following closing of the Offering.

The Subscriber is an insider of the Company, and therefore the Offering was considered a “related party transaction” for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Offering was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsections 5.5(a) and 5.7(1)(a)) as the fair market value of the Offering was not more than the 25% of the Company’s market capitalization.

*(b) the purpose and business reasons for the transaction*

The Company intends to use the net proceeds of the Offering for general corporate and working capital purposes.

*(c) the anticipated effect of the transaction on the issuer’s business and affairs*

The Offering is expected to have a positive impact on the Company’s financial position.

*(d) a description of (i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties, and (ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage*

Pursuant to the Offering, the Company issued 22,222,223 Units to the Subscriber, being the Company's largest beneficial shareholder. Prior to the Offering, the Subscriber beneficially owned or controlled approximately 50% of the issued and outstanding Common Shares of the Company prior to closing of the Offering. As a result of the Offering, the Subscriber beneficially owns or has control or direction over 101,373,809 Common Shares, representing approximately 56.21% of the 180,343,952 issued and outstanding Common Shares (on a non-diluted basis). The Subscriber was also issued 22,222,223 Warrants pursuant to the Offering and, as a result of the Offering, now beneficially owns or has control or direction over Warrants exercisable into 29,722,223 Common Shares.

*(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee,*

The Board of Directors of the Company (the "**Board**") considered the reasonableness and fairness of the Offering which was approved by disinterested members of the Board. No materially contrary view or abstention was expressed or made by any director of the Company in relation thereto. The participation by certain insiders and other related parties of the Company is not expected to have a material effect on the Company's business and affairs. The Board of Directors did not establish a special committee to review the Offering.

*(f) a summary of the formal valuation, if any, obtained for the transaction*

Not applicable.

*(g) disclosure of every prior valuation in respect of the issuer that relates to the subject matter of is otherwise relevant to the transaction (i) that has been made in the 24 months before the date of the material change report, and (ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or senior officer of the issuer*

Not applicable.

*(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction*

The Company entered into the Subscription Agreement with the Subscriber pursuant to which the Units were issued.

*(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying on, and the facts supporting reliance on the exemptions*

The Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61- 101 pursuant to subsections 5.5(a) and 5.7(1)(a), as the fair market value of the securities distributed to, and the consideration received from, related parties participating in the Offering did not exceed 25% of the Company's market capitalization.

For additional details of the material change, please see the Company's news release dated January 4, 2023, a copy of which is attached as Schedule "A".

**Item 5. Full Description of Material Changes**

Please see a copy of the Company's press release dated June 9, 2023 and attached to this report as Schedule "A".

**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**

Sean Bovingdon, Chief Financial Officer, is knowledgeable about the material change and this report. Mr. Bovingdon can be contacted at 905-304-4201 and at [sbovingdon@bzam.com](mailto:sbovingdon@bzam.com).

**Item 9. Date of Report**

June 16, 2023

**Schedule "A"**

*See attached.*

## BZAM Ltd. Announces Closing of Previously Announced Non-Brokered Private Placement

**Vancouver, BC, and Toronto, ON, June 9, 2023** – BZAM Ltd. (the “**Company**” or “**BZAM**”) (CSE: **BZAM**) (US-OTC:**BZAMF**), a leading Canadian cannabis producer, announced today that the Company has closed its previously announced non-brokered private placement (the “**Offering**”) of units of the Company (the “**Units**”).

Pursuant to the Offering, the Company issued 22,222,223 Units at a price of C\$0.225 per Unit for aggregate gross proceeds of C\$5,000,000.18. Each Unit will consist of one common share in the capital of the Company (each, a “**Share**”) and one Share purchase warrant (each, a “**Warrant**”). Each Warrant will entitle the holder to purchase one Share at an exercise price of C\$0.40 for a period of three years following the completion of the Offering.

The net proceeds from the Offering are expected to be used for general corporate and working capital purposes.

The securities issued in connection with the Offering (including the Units, Shares, Warrants, and Warrant Shares) will be subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

As the Company's Chairman, who is an insider and largest shareholder of the Company, purchased all of the Units issued as part of the Offering, the Offering is considered to be a "related party transaction" for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Pursuant to MI 61-101, the Company will file a material change report providing disclosure in relation to each "related party transaction" on SEDAR under BZAM's issuer profile at [www.sedar.com](http://www.sedar.com). The Company did not file the material change report more than 21 days before the expected Closing Date as the details of the Offering and the participation therein by the "related party" of the Company were not settled at such time. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. The Company is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on section 5.5(a) of MI 61-101 as the fair market value of the transaction, insofar as it involves interested parties, is not more than the 25% of the Company's market capitalization. Additionally, the Company is exempt from minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(1)(a) as the fair market value of the transaction, insofar as it involves interested parties, is not more than the 25% of the Company's market capitalization.

*This news release is not for publication or distribution, directly or indirectly, in or into the United States. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities of BZAM Ltd. in the United States, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, or any U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons unless registered under the United States Securities Act of 1933, as amended, and applicable state securities laws or unless an exemption from such registration is available. No public offering of securities is being made in the United States.*

**About BZAM Ltd.**

BZAM Ltd. (CSE: BZAM) (US-OTC: BZAMF) is a leading Canadian cannabis producer with a focus on branded consumer goods, innovation, quality, consistency, integrity and transparency. The BZAM family includes core brands BZAM™, TGOD™, ness™, Highly Dutch Organic™, TABLE TOP™, and partner brands Dunn Cannabis, FRESH and Wyld. BZAM operates facilities in BC, Alberta, Ontario and Quebec, as well as retail stores in Winnipeg, Manitoba and Regina, Saskatchewan.

BZAM's Shares and certain warrants issued under the indentures dated June 12, 2020, October 23, 2020 and December 10, 2020 currently trade on the CSE under the symbol "BZAM", "BZAM.WR", "BZAM.WA", and "BZAM.WB" respectively. BZAM's Shares trade in the U.S. on the OTCQX under the symbol "BZAMF". For more information on BZAM Ltd., please visit [www.bzam.com](http://www.bzam.com).

**CONTACT INFORMATION**

Matt Milich, CEO  
[mmilich@bzam.com](mailto:mmilich@bzam.com)  
778-655-6335

Lisa Stewart, Investor Relations  
[lstewart@bzam.com](mailto:lstewart@bzam.com)  
604-341-8177

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